



# Herald INTERNATIONAL Tribune

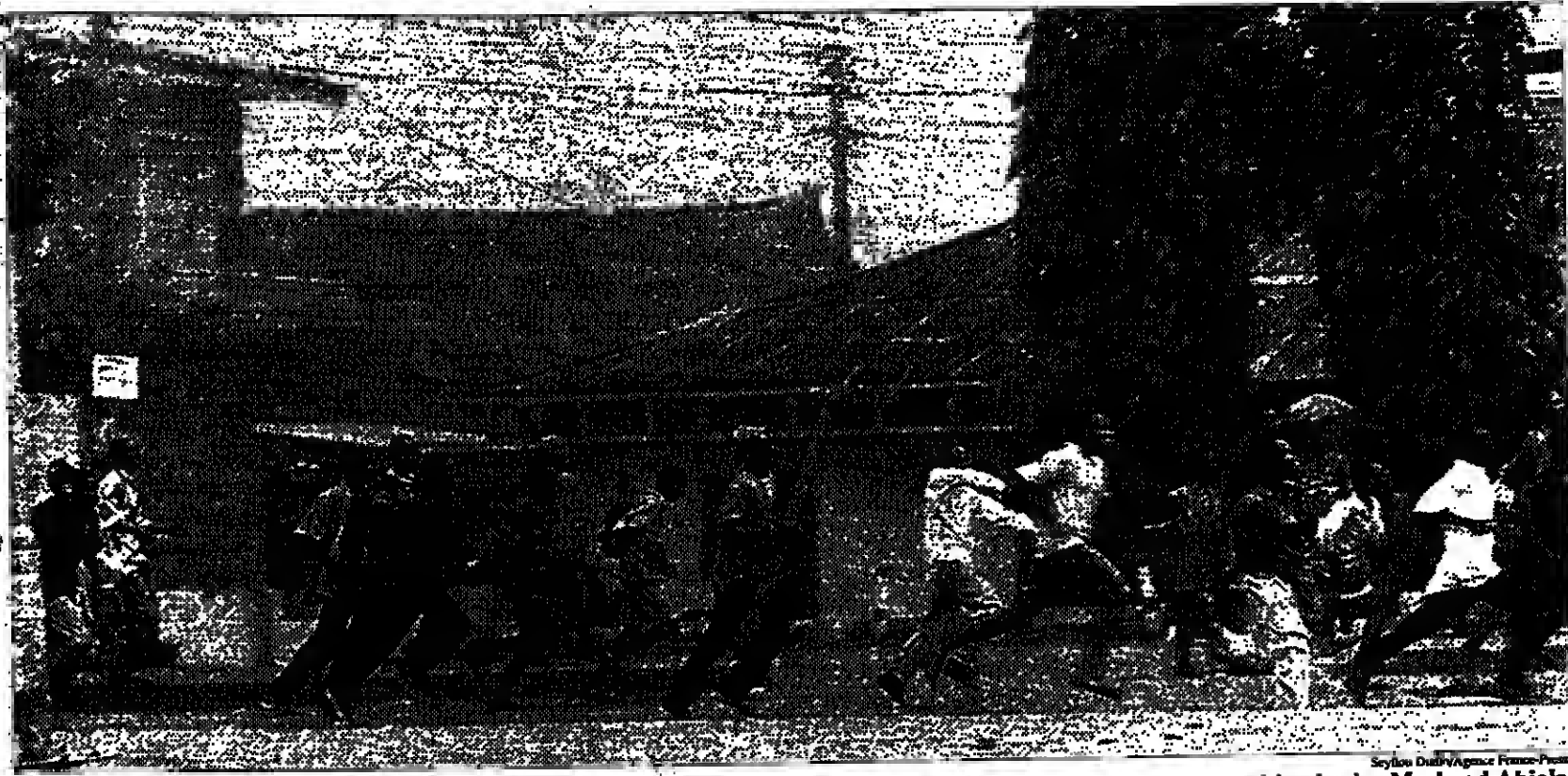
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

R

London, Thursday, July 9, 1998

No. 35,878



Nigerians running through the capital, Lagos, on Wednesday during clashes with police after the death of the opposition leader Moshood Abiola.

## Riots in Nigeria Threaten Wide Ethnic Conflict

### 15 Killed as Military Regime Is Accused of Murdering Abiola

By James Rupert  
Washington Post Service

ABIDJAN, Ivory Coast — Ethnic riots erupted in several Nigerian cities over the death of the imprisoned Yoruba political leader Moshood Abiola, with at least 15 deaths reported by late Wednesday.

Mr. Abiola's death Tuesday, of what the government said was a heart attack, has yanked Africa's most populous nation to the edge of widespread ethnic conflict, Nigerian political analysts said.

In Lagos, crowds of Yoruba youths chanted accusations that the military government — which is dominated by northern, Hausa-speaking ethnic groups — had murdered Mr. Abiola, the military's most powerful political foe.

Rioters attacked Hausa speakers in the streets, and most of the deaths reported were in Hausa-speaking neighborhoods, news reports said.

"The violence has taken on an ethnic character," said Ayo Obe, a Lagos attorney who heads the Civil Liberties Organization, a prominent pro-democracy group. She and other analysts voiced fears that Nigeria could quickly slide into ethnic pogroms such as those that touched off a civil war three decades ago.

The U.S. undersecretary of state, Thomas Pickering, who was meeting Mr. Abiola when he collapsed Tuesday, called on the military government of General Abdulsalam Abubakar for an immediate and "unconditional" release of remaining political prisoners as a first step toward meeting popular demands for an end to 15 years of military rule.

Mr. Pickering also pressed the government to meet the Abiola family's requests for foreign doctors to participate in an autopsy in an effort to prove or disprove theories in Nigeria that Mr. Abiola was murdered.

But Yorubas warned that it may be too late for either step to prevent broader violence. Yorubas, who historically have been underrepresented at the top of Nigeria's government, have been particularly embittered since the armed forces scuttled a 1993 presidential election, just as it appeared that Mr. Abiola had won it.

The following year, the military leader, General Sani Abacha, jailed Mr. Abiola for claiming the right to rule Nigeria.

In the past month, after General Abacha died of a reported heart attack, Yorubas had reinforced their demand that Mr. Abiola be named to head a transitional government to usher in civilian rule. The military insisted that Mr. Abiola and his backers would have to give up his claim to rule before they would release him.

"Now there can be 'no resolution that would heal the wound' caused by the armed forces' barring of Mr. Abiola from power, Miss Obe said. "The pent-up up frustrations of years are coming close to roost."

Among Yorubas and pro-democracy colleagues, she said, "the nearest comparison anyone can draw to this is 1966," when ethnic tensions led to fighting and pogroms among the country's three main communities — Hausa speakers, Yorubas and Ibos. The conflicts led Ibos to secede the following year as the state of Biafra, igniting a war that killed an estimated 600,000 to 2

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## Britain Plans Defense Cuts and Military Reform

By Warren Hoge  
New York Times Service

LONDON — Britain said Wednesday that it was reshaping its armed forces to reduce expenditures and meet the increasing need for speedy and flexible deployment to trouble spots abroad.

In plans that will trim \$1.1 billion from the current \$36 billion defense budget over the next three years, Britain will reduce the number of its reserve troops as well as equipment like tanks, warplanes and open-ocean submarines. It also will strengthen its rapid reaction forces with

two new super-carriers, battlefield helicopters, amphibious forces and Harrier jump jets. The military will purchase four C-17 transport planes and four roll-on, roll-off container ships to move personnel and equipment to combat sites.

The moves take into account the disappearance of the threat of a Soviet invasion as Europe's principal concern and the emergence in its place of crises like the Gulf War and Bosnia where Britain has been the United States' closest and most militarily dependable ally.

Gerald Segal, director of studies at the International Institute of Strategic Studies

in London, said the announcement "will ensure, at least for a generation, that Britain will rank second only to the United States in deployable modern military power." He added that in recent years "while other European nations have agreed with the United States' purpose to be on the front line, Britain has shown the greatest propensity to act when the U.S. decides to go."

Announcing the reforms to the House of Commons on Wednesday, Defense Secretary George Robertson said the army, navy and air force would be developing ways to join together speedily

to act as peacekeepers and frontline troops. "In the post Cold War world, we must be prepared to go to the crisis, rather than have the crisis come to us," he said.

Paul Beaver of Jane's Defense Weekly, said the strategic review was the most important in Britain in 30 years and answered demands that had been growing over the past decade. "It means if there is a problem in Kosovo which brews up next week, it won't take a month to organize the dispatch of forces

See BRITAIN, Page 6

## French Defense Provides a 2-1 Victory Over Croatia

By Christopher Clarey  
International Herald Tribune

SAINT-DENIS, France — Since the knockout round of this World Cup began, it has been clear that the host nation's strength is its defense, not its attack. Wednesday night's semifinal was no different, and this time, the French defense even provided the offense.

Both of France's goals were scored by the right fullback, Lilian Thuram, and those goals were enough to put France into the final of the World Cup for the first time with a 2-1 victory over Croatia.

France's opponent in Sunday night's final will be Brazil, which already has won the most prestigious title in soccer four times.

The French have never won it, but no matter what happens in the Stade de France, this French team will stand alone. France reached the semifinals but failed to go further in 1958, 1982 and 1986.

But none of those teams had the homefield advantage, and though

French fans are hardly the most enthusiastic in Europe, this team, full of gifted players from diverse backgrounds, has now succeeded in capturing its nation's full attention.

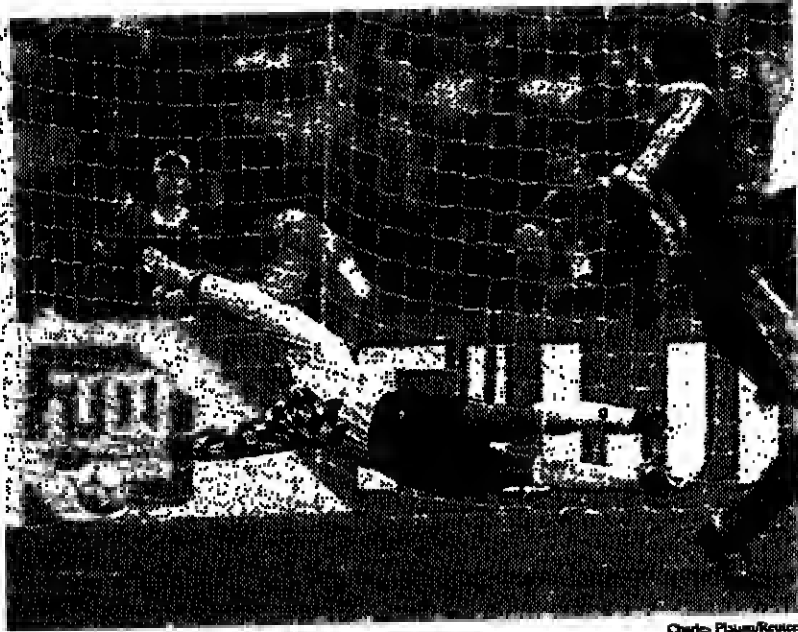
The French were forced to play the last 16 minutes with only 10 men after the central defender, Laurent Blanc, was ejected from the game for hitting a Croatian defender, Slaven Bilic, with an open palm.

Bilic acted much more wounded by the glancing blow than he could have been, but the Croats, who scored one goal earlier in the second half, could not find a way to put another one past the defense that has been the finest in the world for the last month.

The last threat came in the fourth minute of injury time, and the French goalkeeper, Fabien Barthez, poked the ball over the bar. Moments later, the normally unflappable Barthez was on his knees, covering his face with both hands as his teammates and their fans celebrated.

France took the lead for the first time

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Croatia's goalkeeper, Drazen Ladice, failing to stop Lilian Thuram, who scored his second goal to give France the victory on Wednesday.

## Mideast Timebomb Ticks

### Israelis Fear That Arafat Will Proclaim a State

By Serge Schmemmann  
New York Times Service

JERUSALEM — Every day that passes without progress toward an Israeli-Palestinian settlement, a probability grows that in 10 months' time, probably next May 4, Yasser Arafat will declare a Palestinian state alongside Israel.

Exactly what that would mean, nobody knows. But Mr. Arafat has pledged several times to do so, and a growing number of Israeli academics and commentators regard the prospect of such a proclamation as inevitable.

Relations between Prime Minister Benjamin Netanyahu and Mr. Arafat's Palestinian Authority have deteriorated to such a degree, some experts say, that

even if the United States could pull off a further Israeli withdrawal and get talks going, chances are that they would soon collapse.

"Even if there is the second redeployment and there is an attempt to begin final-status talks," said Joseph Alpher, head of the Jerusalem office of the American Jewish Committee and an expert on strategic affairs, "given the gap in concept regarding land, the nature of sovereignty and the confidence and credibility gap, I see no chance whatsoever that they'd make enough progress to justify postponing what Arafat intends to do."

An Israeli think tank recently ran a simulation of what would happen if a state was proclaimed, the biweekly newsmagazine Jerusalem Report dedicated its current cover story to the matter and the mass-circulation Yediot Aharonot recently published a detailed and chilling scenario based on talks with security officials and politicians.

Under the hypothetical outline, the Palestinian declaration of independence would lead to an eruption of bloodshed, and the United States would decide not to stand alone in the United Nations against recognition of the new state.

Against this background, the Israeli government perceives the upgrading, on Tuesday, of the status of the Palestine Liberation Organization observer delegation at the United Nations as a test run for eventual full membership.

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## AGENDA

### Editor of The New Yorker Steps Down

The Dollar			
New York	Wednesday @ 4 P.M.	previous close	
DM	1.8193	1.8145	
Yen	136.415	136.575	
FF	8.095	8.084	
Pound	1.6367	1.6379	

Dollars per pound.		
The Dow		
	Wednesday close	percent change
↑	+ 89.93	9,174.97 + 0.99%
S&P 500		
↑	+ 11.71	1,168.37 + 1.01%

NEW YORK (AP) — The editor of The New Yorker magazine, Tina Brown, has resigned after six years at the helm of the venerable but money-losing publication.

A spokeswoman for the magazine's parent company, Conde Nast, did not give any more details. Ms. Brown, who is British and a former editor of Vanity Fair, took over the magazine in 1992. She maintained its literary focus, but increased coverage of politics and popular culture.

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Opinion ..... Pages 8-9.  
Sports ..... Pages 19-21.  
The IHT on-line: www.ihl.com



Tina Brown calls it quits in N.Y.

## Hashimoto, Running Scared, Backs Tax Cuts

By Mary Jordan  
and Kevin Sullivan  
Washington Post Service

TOKYO — Four days before a national election and two weeks before he is scheduled to visit Washington, Prime Minister Ryutaro Hashimoto appeared to be fighting desperately to keep his job Wednesday by reversing himself for the third time in a week and apparently backing permanent income tax cuts.

As polls showed a drop in support, analysts said that if the Liberal Democratic Party loses seats in Sunday's election for the upper house of Parliament, Mr. Hashimoto may have to resign. Three recent polls indicate that the solid victory that the Liberal Democrats had been counting on seems like a long shot, and that it is even possible that the party could wind up with fewer than the 61 seats it now controls.

Campaigning in Nagoya, Mr. Hashi-

moto held a press conference Wednesday evening and announced that he would seek "publicly acceptable" tax cuts beginning in April as part of "permanent reform of the tax system." This is his clearest support for permanent income tax cuts so far.

"It sends a signal that the LDP is running scared," said John Neuffer, a political analyst, who said tax cuts were

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## In Cyberwar, A Quandary Over Rules And Strategy

By Bradley Graham  
Washington Post Service

WASHINGTON — Intent on developing more powerful weapons for penetrating enemy computer networks, U.S. military and intelligence authorities are struggling to define new rules for deciding when to launch cyber attacks, who should authorize and conduct such attacks and where they would fit into an overall military strategy.

Not since the advent of nuclear bombs a half-century ago have national security officials confronted weapons with such potential to alter the means for waging war, according to those involved in the planning.

By traveling across global networks and filtering in and out of countries without assuming a physical presence, cyber warriors pose a new challenge to old notions of national sovereignty. Their assaults on societal information networks blur traditional distinctions between military and civilian targets.

Michael McConnell, a retired three-star admiral who stepped down two years ago as head of the National Security Agency, said he knows more than a dozen people who could "do major damage" to a nation by mounting a computer attack with just a few weeks of preparation.

"The question is, what's the legal framework for some of these things?" said Dan Kuehl, a former air force officer who now heads the National Defense University's Department of Information Operations. "The answer is, we don't know."

Senior Defense Department officials say they are attempting to define what classes of targets might be appropriate for cyber weapons and are sorting out the legal issues with Justice Department and intelligence community officials.

Congressional sources also report that the House and Senate intelligence committees have pressed behind closed doors for greater clarity in the kinds of cyber operations under consideration and for improved coordination between the Pentagon, the CIA and the FBI to keep their hackers from tripping over one another in cyberspace abroad.

The Pentagon has restructured units under the Office of Secretary of Defense

See CYBER, Page 6

## In Cyprus Issue: A No-Fly Zone?

WASHINGTON, (Reuters) — The United States is willing to explore the creation of a no-flight zone over the divided island of Cyprus, which is a focus of tension between the NATO members Greece and Turkey, Defense Secretary William Cohen said here on Wednesday.

"The no-fly zone is one possibility that could be explored but we have not made any determination on what the results should be," he said at a news conference with the visiting Greek defense minister, Akis Tsohatzopoulos.

Newsstand Prices			
Bahrain	1.000 SD	Malta	55 c
Cyprus	1.000 C	Nigeria	126.00 Naira
Denmark	14.00 DKr	Oman	1.250 OR
Finland	12.00 FM	Qatar	10.00 QR
Gibraltar	2.085	Rep. Ireland	10 SR
Great Britain	2.500	Saudi Arabia	10 SR
Egypt	1.250 JD	U.A.E.	10.00 Dh
France	1.250 F	U.S. M.I. (Eur.)	1.20
Germany	1.250 DM	Zimbabwe	20.00 Zim
India	700 Fils		

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## Recycling to Save Lives / A Montanan Gets the Message

## Used Pacemakers Find New Hearts Abroad

By Cindy Loose  
Washington Post Service

WASHINGTON — The family arrived at the hospital in Billings, Montana, just moments after Annie Kuntz died. Her daughter reached out to touch the still-warm body one last time, then recoiled, her eyes wide with shock.

"Her heart's still beating," she cried out to her husband.

A nurse quickly explained that Mrs. Kuntz was really dead. What her daughter felt was her pacemaker, still trying to do its work.

On the ride home from the hospital that day in 1988, Bill Daem and his wife — Mrs. Kuntz's daughter, Evelyn — talked about the six healthy years the pacemaker had added to Mrs. Kuntz's life. What a shame, they thought, to waste such a precious item. They asked everyone they could think of what they could do with the electronic device, which stimulates electrical activity to keep the heart beating regularly and typically costs \$5,000 to \$10,000. "Everyone said nothing, so we buried it with her," Mr. Daem said.

It would take many years and another job — an experience that Mr. Daem considers a message from his mother-in-law in the great beyond — but Mr. Daem eventually started what is now a thriving pacemaker recovery program he calls Heart Too Heart.

Every morning, he checks the metal cooler he keeps chained to his doorstep for deliveries of pacemakers, which are sent to him from about 225 funeral homes across the country. He then forwards the devices to doctors who reimplant them in destitute patients overseas. Neither Mr. Daem nor the manufacturer nor the doctor makes any money from the program.

Mr. Daem quickly learned that pacemakers cannot be recycled in the United States, where the Food and Drug Administration approves them for one use only. But when he looked into shipping them overseas, he discovered that many Third World countries have no rules governing their use and are eager to acquire more of them.

As the retired assistant chief of emergency medical services in Billings, Mr. Daem knew many people in the medical community. He learned that manufacturers of the pacemakers oppose recycling them, citing liability issues and questions about whether they can be sterilized safely.

He also discovered that the devices are routinely sterilized and reused at hospitals in Sweden. And, he quickly became convinced, a heart patient with a used pacemaker — as long as it was properly checked — is almost certainly better off than a heart patient with no pacemaker.

The issue of the United States exporting second-class medical care to the Third World has become a concern in recent years, but several cardiologists asked about Mr. Daem's program spoke highly of it. "Heart Too Heart is a wonderful organization, doing

receptor of pacemaker services at the Mayo Clinic in Rochester, Minnesota.

An FDA spokeswoman did not explain why it approves pacemakers for one-time use only.

Mr. Daem links the birth of his pacemaker program to a day when he was helping out at a funeral, as he occasionally does as a Roman Catholic deacon. He was catching a ride from the cemetery when a funeral director, Bill Gray, mentioned that he had been having problems with pacemakers blowing up during cremation.

Mr. Gray explained that the lithium battery that runs a pacemaker explodes under intense heat. One had recently caused \$12,000 worth of damage to a crematorium in Missoula, Montana, he said.

Mr. Gray added that in his own business, he removed pacemakers if he knew about them. "He said some were so new the stitches from the surgery were still in the body," Mr. Daem said. "Knowing the price, he said he couldn't bear to throw them away, and had a whole drawer full."

The conversation "was like a knock on the shoulder from Annie," Mr. Daem said. "It was like she was saying, 'This is my second attempt to get your attention that something should be done with these things.'"

So he began calling funeral homes. Soon a Montana funeral director's association spread the word to similar organizations in other states. Heart Too Heart was on its way.

As the pacemakers started to come in, Mr. Daem and his wife enlisted friends and civic groups to help log and check them. A Knights of Columbus chapter pays for office supplies. A major carrier that wishes to remain anonymous supplies free shipping.

The funeral homes are responsible for disinfecting the pacemakers, and the receiving doctor sterilizes them and checks them with computer equipment, reusing only those with 80 percent of their battery power remaining.

On the receiving end, Mr. Daem's first partnership was with a New York doctor, Bernard Boal, who has taken more than 700 of the pacemakers to Israel. Mr. Daem, a deeply religious man, sees the hand of God in the operation.

"It strikes me as more than odd," he said, "that the person gathering them is Roman Catholic, the main person helping me organize is one of the state's leading Methodists, the doctor I give them to is Jewish." And some of the recipients are Muslim.

Now the recipient pool is expanding. A group of doctors last month took a batch of pacemakers to Eastern Europe.



Bill Daem, working at his home in Billings, Montana, with his wife, Evelyn, runs a thriving pacemaker recovery program he calls Heart Too Heart.

lifesaving work," said Peter Alagona Jr., a fellow of the American College of Cardiology and president of Heartbeat International. His group procures from manufacturers new pacemakers nearing their expiration date and ships them to 24 countries overseas.

"But pacemakers are like hearts: You can never harvest enough of them to make a dent in the world."

As long as the pacemakers are properly sterilized and reassessed for performance, recycling them is "a very reasonable idea," said David Hayes, di-

## Hong Kong's Airport Can't Get Off Ground

A \$20 Billion 'Public Relations Disaster'

By Philip Segal  
International Herald Tribune

HONG KONG — With cargo stranded for days on the tarmac, missing baggage, malfunctioning signs, broken air conditioning and washrooms with no water, Hong Kong's new \$20 billion airport has turned into a logistical fiasco.

By its third day of operations on Wednesday, the airport at Chek Lap Kok has had to surrender most cargo handling to the old Kai Tak airport, the cramped but highly efficient facility supposedly closed for good Sunday night.

"We're looking right now at a world-wide public relations disaster," said Jim Eekes at Indoswiss Aviation Ltd., a longtime aviation consultant and broker in Hong Kong. "This airport, unbelievably, is making Kai Tak look good."

As news of passenger delays and broken escalators gave way in prominence to an embarrassing switch Tuesday back to the old airport by cargo sorters, a city that prides itself on being a sleek and efficient service hub began counting the cost of putting into operation an airport that many think opened prematurely.

"Fish and flowers are dying, newspapers aren't coming in or going out," said Mike Bryant of Foreign Press Distributors Ltd., which distributes the International Herald Tribune along with 50 other dailies and 300 magazines. "The best answer I could get was that it would be another day or so."

The largest air cargo handler at the airport, Hong Kong Air Cargo Terminals, declined to return phone calls.

Some freight operators said that more than half their traffic has been delayed. One operator cited computer interface problems between Hong Kong Air Cargo Terminals, the monopoly operator at the old airport, and several new ground handling companies working at Chek Lap Kok.

"We've had significant delays," said Ross Allen, operations director at the courier company DHL. "We're already bypassing Hong Kong from a hub standpoint, and are looking at exporting Hong Kong origin traffic to third countries for onward shipment."

United Parcel Service ran large ads in local newspapers Wednesday proclaiming on-time service, but this only applied to shipments using their own planes. For freight going to most of Asia, UPS uses commercial airlines and is also experiencing "lots of delays," said Brenda Ng, a customer service supervisor.

For passengers at Chek Lap Kok, things are slowly improving from the

disastrous first day at the airport, when planes were stranded on the runway for several hours because of a shortage of ground staff or malfunctioning gates. One passenger called police on his mobile phone, urging them to open the aircraft because passengers were feeling ill from lack of fresh air.

The longest departure delay was two hours on Wednesday, compared to four hours on Tuesday, according to Reuters. Some 6,000 to 10,000 pieces of baggage which had gone astray since Monday have now been sent to the proper destinations, airport officials told the news agency.

"Things are looking better, but are nowhere near optimum service levels," said Jemma Moore of Hong Kong-based Cathay Pacific Airways, the largest tenant at Chek Lap Kok.

The four-ups are embarrassing for the government, given that Chek Lap Kok was formally opened by President Jiang Zemin during his visit last week. Some analysts speculated that after the airport had been delayed twice from its original intended opening a year ago, it was rushed into operation this week so that Mr. Jiang could open it as he celebrated the first anniversary of Hong Kong's reversion to Chinese sovereignty.

The signs of premature opening are everywhere: Cathay Pacific's executive lounge will not be ready until mid-August. The executive lounge operated by Japan Airlines has a phone booth for use by busy travelers, but no phone. The baggage system still functions intermittently, and many ticket machines on the new airport railroad do not work.

"I do not believe it was opened too early," said Hong Kong's financial secretary, Donald Tsang, on Wednesday. "I know our colleagues in the Airport Authority are really trying their very best. I'm sure they're going to deliver back to us, the Hong Kong people, a first class airport in the next few days."

The Airport Authority has confirmed that it pressured Hong Kong Air Cargo Terminals, the freight handler, to shift to the new airport before it wanted to move.

The Airport Authority, headed by Hank Townsend, an American who is a former executive with Bechtel Corp., declined to predict how long it would take to iron out the problems.

Many on the staff at the Airport Authority, created in the mid-1990s to build and operate the new facility, were hired for their knowledge of construction, but are now running an airport. Kai Tak airport was run by the government's Civil Aviation Department.

## Eiffel Tower Will Remain French

## EDUCATION

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Agence France-Presse PARIS — The Eiffel Tower, iron-lattice landmark on the Paris skyline, will not fall into U.S. hands, Finance Minister Dominique Strauss-Kahn pledged Wednesday.

City councilors warned this week that the French capital's most-visited monument faced a change of ownership this

month because of the pending privatization of Credit Foncier de France, a financial firm that has a stake in the company that manages the tower.

But Mr. Strauss-Kahn said the city's ownership of the 19th monument was "inalienable."

Credit Foncier has a 50 percent stake in SAGI, which in turn has a 70 percent share in the Societe Nouvelle d'Exploitation de la Tour Eiffel, the company set up in 1979 to run the tower on behalf of the Paris city government. But CCF is up for sale, and the government is to decide this month whether to accept an offer from General Motors Acceptance Corp., the financial arm

of General Motors Corp. "As the owner and a shareholder of the management contract of the Eiffel Tower," Mr. Strauss-Kahn said, "Paris City Hall is totally free to decide to what extent a change in CCF's capital can have consequences on the firm that manages the Eiffel Tower."

The mayor of Paris, Jean Tiberi, said Tuesday he had written to Mr. Strauss-Kahn to draw his attention to the fate of the monument.

The Paris city government could buy an 11 percent interest in SAGI for 20 million francs (\$3.3 million), giving it a majority stake that would keep the tower in French hands.

## Editor's Note

A New York Times article published on Aug. 20, 1997, and republished in the International Herald Tribune on Aug. 21, described the operations of the European Union Bank, an offshore institution based in Antigua. The article said one of the bank's original directors, Mikhail B. Khodorovsky, was an officer of the Menatep Bank of Moscow. It quoted unnamed British and American officials who said Menatep had links to Russian organized crime.

In fairness, the article should have contained a response from Menatep and Mr. Khodorovsky. The International Herald Tribune apologizes to Bank Menatep and Mr. Khodorovsky for the omission.

Menatep has since said that as an internationally respected, reputable financial institution it considers publication of these articles to be detrimental to its reputation. It has provided documents establishing the following facts. The bank has earned the

highest possible ratings for a private Russian bank from IBCA, Moody's and Thomson Bank Watch, and has recently gained approval from the U.S. Securities and Exchange Commission to sell American Depository Receipts in the United States.

The bank has relationships with the World Bank and the U.S. Ex-Im Bank. It has been audited by Arthur Andersen since 1994 in accordance with international accounting standards.

The Federal Bureau of Investigation has said that a search of its automated indices to its central records system files located no records to indicate that Menatep has been of investigatory interest to the FBI.

Mr. Khodorovsky said he withdrew as a director of the European Union Bank in 1994, a week after its registration, and has played no role in its operations before or after then.

## 2d Strike to Stall London Subway

LONDON (AP) — Workers on the London Underground train network decided to strike for the second time this summer after a dispute over job security ended without agreement.

Members of the Rail, Maritime and Transport union voted for a 24-hour walkout starting Sunday night after failing to get assurances from the government that service, job conditions and pensions would not be affected by plans for private firms to become involved in running parts of the network.

More than 2 million people, including commuters and tourists, travel every day on the London Underground.

## Storms Wreak Havoc in Austria

VIENNA (AP) — Storms dumped heavy rain across a wide area of Austria and snow in high Alpine areas, snarling traffic and causing local flooding here and in the east of the country.

## TRAVEL UPDATE

Police were requiring chains Wednesday for all motorists driving over the Grossglockner Pass, 80 kilometers (50 miles) south of Salzburg, after snow fell in the higher elevations overnight.

The storms struck late Tuesday, dumping heavy rain in Vienna, Upper Austria, Lower Austria and Steiermark.

Two people were slightly injured as crowds jostled to attend the second day of the annual bull runs in Pamplona, Spain, emergency services said. A 26-year-old was hospitalized for bruised ribs, while a second person, aged 30, needed treatment for a cut scalp after being caught in the crowds packing the streets of Pamplona. (AP)

The number of Japanese traveling overseas this summer is expected to fall for the first time in 18 years because of the country's weak economy, a top travel agency in Tokyo said. About 3.17 million people are expected to go abroad for their summer vacation, 2.4 percent less than last year. (AP)

## WEATHER

Europe				Forecast for Friday through Sunday, as provided by AccuWeather.				Asia			
City	Today	Low	High	City	Today	Low	High	City	Today	Low	High
Algeria	20/20	10/10	20/20	London	18/18	10/10	18/18	Algeria	20/20	10/10	20/20
Amsterdam	18/18	10/10	18/18	Madrid	20/20	10/10	20/20	Amsterdam	18/18	10/10	18/18
Athens	20/20	10/10	20/20	Moscow	18/18	10/10	18/18	Athens	20/20	10/10	20/20
Berlin	18/18	10/10	18/18	New York	20/20	10/10	20/20	Berlin	18/18	10/10	18/18
Bombay	20/20	10/10	20/20	Osaka	18/18	10/10	18/18	Bombay	20/20	10/10	20/20
Buenos Aires	18/18	10/10	18/18	Paris	18/18	10/10	18/18	Buenos Aires	18/18	10/10	18/18
Calcutta	20/20	10/10	20/20	Rome	20/20	10/10	20/20	Calcutta	20/20	10/10	20/20
Chengdu	18/18	10/10	18/18	Sao Paulo	18/18	10/10	18/18	Chengdu	18/18	10/10	18/18
Chongqing	20/20	10/10	20/20	Seoul	18/18	10/10	18/18	Chongqing	20/20	10/10	20/20
Dhaka	18/18	10/10	18/18	Shanghai	18/18	10/10	18/18	Dhaka	18/18	10/10	18/18
Hanoi	20/20	10/10	20/20	Singapore	18/18	10/10	18/18	Hanoi	20/20	10/10	20/20
Harbin	18/18	10/10	18/18	Taipei	18/18	10/10	18/18	Harbin	18/18	10/10	18/18
Ho Chi Minh	20/20	10/10	20/20	Tokyo	18/18	10/10	18/18	Ho Chi Minh	20/20	10/10	20/20
Hong Kong	18/18	10/10	18/18	Ulaanbaatar	18/18	10/10	18/18	Hong Kong	18/18	10/10	18/18
Indonesian	20/20	10/10	20/20	Yokohama	18/18	10/10	18/18	Indonesian	20/20	10/10	20/20
Islamabad	18/18	10/10	18/18					Islamabad	18/18	10/10	18/18
Jakarta	20/20	10/10	20/20					Jakarta	20/20	10/10	20/20
Kuala Lumpur	18/18	10/10	18/18					Kuala Lumpur	18/18	10/10	18/18
Manila	20/20	10/10	20/20					Manila	20/20	10/10	20/20
Moscow	18/18	10/10	18/18					Moscow	18/18	10/10	18/18
New Delhi	20/20	10/10	20/20					New Delhi	20/20	10/10	20/20
Phnom Penh	18/18	10/10	18/18					Phnom Penh	18/18	10/10	18/18
Prague	18/18	10/10	18/18					Prague	18/18	10/10	18/18
Rangoon	20/20	10/10	20/20					Rangoon	20/20	10/10	20/20
Seoul	18/18	10/10	18/18					Seoul	18/18	10/10	18/18
Singapore	18/18	10/10	18/18					Singapore	18/18	10/10	18/18
Taipei	18/18	10/10	18/18					Taipei	18/18	10/10	18/18
Tokyo	18/18	10/10	18/18					Tokyo	18/18	10/10	18/18
Ulaanbaatar	18/18	10/10	18/18					Ulaanbaatar	18/18	10/10	18/18
Yokohama	18/18	10/10	18/18					Yokohama	18/18	10/10	18/18

In this Friday's  
*Leisure*  
The Car Column

FIAT Seicento Sporting

Complimentary Report  
My 1998-99 Trading Plan to  
Prepare and Profit from  
Stock Market Uncertainty,  
Interest Rate Hikes, EMU  
and the Asian Market Crisis.

Peter G. Cullen  
Senior Trader

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Malaysia	8000876543	Norway	0047234567	UK	0800098765
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## THE AMERICAS

## In Ruling Against Secret Service, Court Dismisses Agency's 'Vague Fears'

By Susan Schmidt  
Washington Post Service

WASHINGTON — In rejecting efforts by the Secret Service to prevent its officers from testifying in the Monica Lewinsky investigation, a federal appeals court has dismissed as "vague fears" the agency's claims that such testimony could endanger the life of the president.

The court rejected the creation of a new legal privilege to shield the president's protectors, backing the effort by the independent counsel, Kenneth Starr, to secure testimony from Secret Service officers about what they may have seen or heard about an alleged affair between Ms. Lewinsky and President Bill Clinton.

"While courts must listen with the utmost respect to the conclusions of those entrusted with responsibility for safeguarding the president," said the unanimous ruling by a three-judge panel

of the U.S. Court of Appeals for the D.C. Circuit, "we must also assure ourselves that those conclusions rest upon solid facts and a realistic appraisal of the danger rather than vague fears extrapolated beyond any foreseeable threat."

The appeals panel said the Secret Service had fallen short of proving the "heavy burden" needed to justify the creation of a new "protective function privilege." The judges — the Republican appointees Stephen Williams, Douglas Ginsburg and Raymond Randolph — said it should be up to Congress to decide whether to create such a privilege and, if so, what shape it should take.

The Justice Department, which has argued on the Secret Service's behalf, said it was deciding whether to appeal. "We continue to be concerned that any action that could distance the Secret Service from the president increases the danger to his life and that of future

presidents," the department said in a joint statement with the Secret Service. Since the early days of the Lewinsky investigation, Mr. Starr has been seeking the testimony of two uniformed officers and the Secret Service general counsel who conferred with them, but all three have been instructed by the Treasury Department to decline to answer questions relating to the president.

After winning in a lower court, Mr. Starr asked the Supreme Court to intervene in the Secret Service case on a rare emergency basis, but the court last month declined to do so, referring it instead to the appeals court as a priority matter. Another privilege dispute, concerning Mr. Clinton's assertion of attorney-client privilege to block testimony by a White House aide, Bruce R. Lindsey, is also pending before the appeals court.

Mr. Starr, battered by a series of legal setbacks, said he was gratified by the ruling. "It is fundamental in our country

that all law enforcement officers cooperate fully in responding to requests for relevant information in a federal grand jury investigation," he said in a statement. "The court of appeals today affirmed that bedrock principle, emphasizing that the rule of law is not incompatible with the profound national interest in protecting the life of the president."

But the Supreme Court may still have the final word on the question. The Secret Service director, Lewis C. Morlet, has privately vowed to appeal all the way to the high court. The agency's other options include asking the appeals panel for a rehearing or seeking a hearing before the full D.C. Court of Appeals.

Noting that the Supreme Court had ordered expedited treatment of the case, the appeals panel ordered that any new hearing request be filed within seven days, instead of the 45 normally allotted.

In upholding a decision by Chief U.S. District Court Judge Norma Holloway Johnson, the appeals panel said there was no "clear and convincing" need to create a new privilege. But the judges also said they were not persuaded by Mr. Starr's argument that there is no precedent for such a privilege, since "this appears to be the first effort in U.S. history to compel testimony by agents."

Arguing in Mr. Starr's favor, the judges said in the 11-page decision, is a federal statute that requires executive branch employees to promptly report any evidence of a crime by a government official to the attorney general.

The Secret Service argued that its proposed privilege should grant them an exception to the statute and also offered a compromise: Its officers should be required to testify in a grand jury proceeding only if they recognize a president's actions as criminal at the time they witness or hear about them.

But the court found the legal reasoning behind such an exception "strange," saying it "would prohibit testimony (and thus thwart the search for truth) even in cases where the evidence, viewed in the light of subsequent events, would supply a key element in the proof of a serious crime."

The Justice Department has argued that the secretary of the treasury, who has jurisdiction over the Secret Service, would be the holder of the protective function privilege, not the president himself. But the judges said that notion offered only a "weak incentive" for a president to keep his Secret Service protectors at bay, since the privilege could be waived by his treasury secretary or by a subsequent administration.

"If the person whose conduct is to be influenced knows that the privilege might be waived by someone else, the effect of the privilege in shaping his conduct is greatly diminished if not completely eliminated," the panel said.

## Man, 19, Is Convicted Of Killing Cosby's Son

By James Sterngold  
New York Times Service

LOS ANGELES — A jury took less than six hours to find 19-year-old Mikhail Markhasev guilty of murdering Ennis Cosby, the son of the entertainer Bill Cosby.

Mr. Markhasev was found guilty Tuesday of first-degree murder and attempted robbery in the death of Mr. Cosby, who was fatally shot in an apparent robbery while changing a flat tire on Jan. 16, 1997. Mr. Markhasev could receive a term of life in prison without parole.

Judge David Perez of Superior Court in Santa Monica scheduled the sentencing for Aug. 11. While prosecutors landed the verdict, Henry Hall, one of the two public defenders who represented Mr. Markhasev, said at a news conference afterward that he believed that the intense publicity and the fame of Mr. Cosby's father had turned attention away from a sober analysis of the evidence and had brought about an unfair verdict.

Mr. Hall said the jury had not been directly tainted and that "the celebrity of the Cosby family, I don't think, had a direct impact on the trial." But he also insisted, "The societal presumption was that there would be a conviction."

Bill Cosby attended the trial for the first time on Monday, the day the closing arguments concluded. He was there with his wife, Camille, and his daughters Erika and Erlyn.

While his daughters were in court on Tuesday, he and his wife were not, but through a spokesman he issued a statement after the verdict was read, saying, "The Cosby family is satisfied with the judicial process."

Ennis Cosby was 27 and a doctoral student in education at Columbia University when he was shot in the head while changing a flat tire alongside a Los Angeles highway in the early morning of Jan. 16, 1997.

The police said it appeared to have been an unplanned but botched robbery.



Mikhail Markhasev after his conviction Wednesday.

## Ex-Military Chief Wins Big Contract

U.S. Admiral's Firm Buys Key Plant

By Judith Miller  
New York Times Service

NEW YORK — The state of Michigan has approved the sale of the only licensed maker of anthrax and rabies vaccine in the United States to a company led by Admiral William Crowe Jr., a former chairman of the Joint Chiefs of Staff and the U.S. ambassador to Britain until last year.

The sale of the Michigan Biologic Products Institute, the last state-owned vaccine laboratory in the United States, gives Admiral Crowe's newly formed company, BioPort Corp., an inside track on at least \$60 million in Pentagon contracts for anthrax vaccine to protect the 2.4 million members of the armed forces and reservists against an anthrax attack.

The rickety plant, which has been run by the Michigan Department of Community Health, has lost millions of dollars annually for years. So in 1996 Michigan decided to sell it to the highest bidder. No one was seriously interested, even after the Pentagon announced it would pay for a \$1.8 million renovation.

The situation changed in December 1997 when the Clinton administration threatened to go to war over Iraq's intransigence in giving free access to UN weapons inspectors. Defense Secretary William Cohen announced that all U.S. troops and reservists would get anthrax shots — a first for the military.

Suddenly the old plant was a hot property. Michigan reopened the bidding in January and a dozen companies considered the plant. Five made firm offers and, in late May, the Pentagon made the deal even sweeter by announcing plans to invest an additional \$15 million to double the plant's vaccine output. The plant is currently closed for renovation.

State officials said that on June 2 the state commission responsible for selling the plant chose BioPort over four other bidders. BioPort, it said, offered nearly \$25 million in cash, secured notes, product donations and royalties.

BioPort, whose headquarters are in Lansing, Michigan, is made up of several partners besides Admiral Crowe. One is Foad El-Hibri, a German citizen of Lebanese descent who has marketed drugs and succeeded in turning a British government plant for vaccine production into a successful private venture.

Military contractors often hire retired officers. The practice gives companies insights into the often Byzantine workings of the military. But it also has been faulted for the favoritism that can arise when officers deal with former colleagues. Admiral Crowe, who was chairman of the Joint Chiefs from 1983 to 1989, said in a recent interview that he was aware of the risk of favoritism, but that he thought strengthening the nation's defenses against an anthrax attack was more important.

Admiral Crowe, who resigned as ambassador to Britain last year, was one of the most senior military figures to support Bill Clinton in the 1992 presidential campaign. Admiral Crowe said he had not discussed with the president the vaccine issue or his effort to buy the plant. Admiral Crowe also said he had not received favorable consideration from Defense Department officials who had met with the bidders.

Admiral Crowe said he had put no personal assets into the plant's purchase and would be compensated only if the plant made money. And he acknowledged that his personal experience in pharmaceuticals was limited to once having served on the board of Pfizer Inc.

But he said that his knowledge of the Defense Department would prove useful, because BioPort would soon be negotiating the price of future batches of vaccine.

## Away From Politics

A young man armed with assault rifles killed a mother and a daughter, then fatally shot two Border Patrol agents who were called by sheriff's deputies to help in his pursuit, authorities said in San Benito, Texas. The gunman also died in the shoot-out. One of the agents killed was the first woman to be slain on Border Patrol duty. (NYT)

The worst U.S. outbreak of illness from raw oysters seems to be easing about two weeks after the industry voluntarily stopped harvesting in Galveston Bay in Texas. After seeing 50 new cases each day at the height of the problem, state health officials said only 16 cases were reported last weekend. (AP)

Blacks appear to absorb more nicotine per cigarette than smokers of other races, a finding that could explain why they run a higher risk of lung cancer and more trouble kicking the habit, researchers reported in the Journal of the American Medical Association. Why blacks seem to get more nicotine was not clear. Biological differences were suggested as one possible factor. (AP)

An explosion blamed on a natural gas leak destroyed a new home, killing a woman and critically injuring her husband in Pleasant Valley, Virginia. (AP)

## POLITICAL NOTES

## Business Back in Party's Fold

WASHINGTON — After a brief but bitter lovers' quarrel, key business advocates and the House Republican leadership have reconciled.

Charles Mack and Bernadette Budde of the Business-Industry Political Action Committee formalized the breakthrough in the dispute by giving Republican leaders just what they wanted: a memorandum to corporate supporters declaring that continued Republican control of Congress is crucial "if a free enterprise agenda is to advance."

Business leaders had been reassured by Republican leaders, most especially the House speaker, Newt Gingrich, who said they would take up key elements of business's agenda. These include continuation of China's "most favored nation" trade status, funding of the International Monetary Fund, a capital gains cut and extension of corporate tax credits that have expired.

Bruce Josten, executive vice president of the U.S. Chamber of Commerce, who had earlier accused the Republican Congress of promoting "isolationism" and the "use of unilateral sanctions," said Tuesday, "Now, the congressional leadership is moving forward."

The dispute between these traditional allies had been building for more than a year as heads of major exporting corporations, along with officials of the Chamber of Commerce and the action committee, began to voice growing concerns that the Republican Party was abandoning business interests in favor of the religious right.

Social conservatives, business argued, placed a higher priority on abortion and other domestic social issues than on maintaining the nation's economic vigor. (WP)

## A New U.S. Savings Bond

WASHINGTON — The Clinton administration on Wednesday unveiled a new type of government savings bond whose return will rise and fall with inflation, to protect investors' gains as well as to help finance the federal deficit.

The bonds will be sold in eight denominations, ranging from \$50 to \$10,000, and will mature in 30 years. Most of the denominations, which bear the likenesses of Helen Keller, the Reverend Dr. Martin Luther King Jr., Albert Einstein, and others, are to go on sale in September. Two more denominations — \$200 and \$10,000 — will go on sale next May.

In announcing the new securities, Vice President Al Gore promoted them as offering an attractive means for middle-income people to prepare for their retirements or a child's education. (NYT)

## Quote/Unquote

Dan Sehnur, a political consultant in San Francisco, as California legislators near a budget deadline without agreement on how to use a \$4.4 billion surplus: "In the past, the choices have been so painful that they led to paralysis. It takes two or three months to decide whether you're going to take guide dogs away from blind people. But there isn't any road map for what they're dealing with now." (NYT)

## ONE OF OURS:

Timothy McVeigh and the Oklahoma City Bombing  
By Richard A. Serrano. 321 pages.  
\$26.95. Norton.

Reviewed by James William Gibson

IN a society where only the present matters, the April 1995 bombing of the federal building in Oklahoma City seems ages ago. But Richard A. Serrano, a Los Angeles Times reporter, does his best to help us remember.

"One of Ours" begins with the childhood of the convicted bomber, Timothy McVeigh, continues through his Army career and his life on the gun-show circuit, and culminates with the bombing and its aftermath.

Despite the inherent drama of the story and Serrano's hundreds of interviews, "One of Ours" does not deepen our understanding of McVeigh and the attack. In restricting himself to a narrative of events, Serrano studiously avoids any historical context or analysis of why the bombing occurred. The result is a flat account that at times misleads.

For example, it's good to be reminded that McVeigh grew up fascinated with guns and stored barrels of water in his family's basement in case of nuclear war. But it would have been more helpful to place these guns and preparations for Armageddon in a larger framework, namely America's post-Vietnam paramilitary culture.

This culture arose as a reaction to defeat in Vietnam and the challenges that the feminist and civil rights movements of the 1960s and 1970s posed to white men. It created the fantasy of individual men fighting a new war against communists, terrorists, non-white immigrants and criminals to restore a fallen America.

Paramilitary culture reached its peak in the mid- and late 1980s; then, as the

Soviet Union collapsed in 1989-1991, it lost both influence and adherents. In an effort to sustain the heroic drama of individual warriors struggling against an evil empire, the loosely knit leadership of the far right began to conceptualize the U.S. government as not just cowardly and corrupt but as the new enemy that must be destroyed.

It was in this period that "The Turner Diaries," a 1978 novel about a white revolution featuring the truck-bombing of an FBI building, became McVeigh's sacred text and script for ritual enactment.

Serrano describes McVeigh's transition from U.S. soldier to far-right terrorist—but again, without context. McVeigh visited Waco, Texas, in March 1993 while the Branch Davidian compound was under siege by agents from the Bureau of Alcohol, Tobacco and Firearms and the FBI. He was shocked to see Bradley Fighting Vehicles like the one he had fought in during the Persian Gulf War used against U.S. citizens. But the author does not say why such vehicles were used. The Branch Davidians were armed with semiautomatic rifles firing .50-caliber machine-gun shells capable of punching through anything but heavy armor plating.

By not providing a context, Serrano's narrative inadvertently makes McVeigh look rational.

That's a grave flaw, because McVeigh's mental condition needs careful scrutiny. By the spring of 1992 he had left the Army and was working as a security guard in Buffalo. One of his coworkers became so alarmed by McVeigh's insistence that a federal task force called Project North Star was after him that he secretly taped McVeigh to show company management. By 1993 McVeigh was telling his associates on the gun-show circuit that, when he was a soldier in the Gulf War, the military had secretly implanted a microtransmitter in his buttocks!

Serrano never explores the significance of the fantasized anti-penetration and hidden transmitter; no psychiatrists are interviewed, no psychological studies cited.

In avoiding the subject, "One of Ours" keeps in step with both the prosecution and defense during McVeigh's trial. Federal prosecutors wanted McVeigh found guilty of murder and executed, while he and his attorney wanted him portrayed as a political activist whose beliefs were "horrifyingly out of proportion" but not the "delusional fantasies of a madman." Thus, the book never addresses the crucial issues of how McVeigh's psychological problems both attracted him to paramilitary culture and were exacerbated by that culture.

Still, Serrano's approach serves him well in one crucially important area: he helps us get to know the bombing's victims. We encounter Marine Corps officer Michael Norfleet, soaked in blood from head wounds, as he walks down the stairs of the Murrah building, "following a blood trail of somebody that had gone down the steps before me. And that was just kind of like the yarn leading me out of the maze, that blood trail." We learn about the boy who offered his savings account (\$180) to government psychologists if they would help his father finally cry and grieve over his lost wife.

There is much pain in what happened in Oklahoma City, much that needs to be remembered. There are real heroes as well, women and men who did everything they could to save those caught in the Murrah building's ruins. Despite its flaws, "One of Ours" preserves the stories of both victims and rescuers — a worthy accomplishment for any writer.

James William Gibson, author of "Warrior Dreams: Paramilitary Culture in Post-Vietnam America," wrote this for The Washington Post.

## BRIDGE

By Alan Truscott

NORTH America's most experienced team squeezed out a victory in the final of the International Team Trials in Tunica, Mississippi, on Monday night. Nick Nickell, Dick Freeman, Jeff Meckstroth, Eric Rodwell, Bob Hamman and Paul Soloway, all of whom have won world titles, won by just 12 imps against a fighting team headed by Jim Payne.

With 15 deals remaining in the 120-deal final, Nickell led by 37 and a stretch drive by his opponents fell just short.

The Nickell team will represent the United States in the next Bermuda Bowl world championship, scheduled in Bermuda in January 2000.

A second American team will be decided by another trial next June, so the Payne team, which includes Chuck Burger, Mike Passell, Michael Seamon, David Berkowitz and Larry Cohen, will have a second chance.

On the diagrammed deal from the final, both teams reached three no-trump. This was rather better than four spades but was still in serious jeopardy.

The opening no-trump by Cohen was the superweak variety, showing 10-12 points. The Stayman sequence, with a two-spade rebid, was invitational, and South accepted in view of his maximum.

Meckstroth led a diamond, and Cohen won the jack with the queen. He led a club to the

queen, hoping to snatch a ninth trick, and lost to the ace. Rodwell as East now had something to think about. Should he continue diamonds? Or shift to hearts?

If West had held ace-king of diamonds he might have led a top honor rather than lead low. And if South had held king-queen he might have won with the king.

So there was some reason to think that Cohen held ace-queen. Rodwell therefore shifted to the heart jack and the defense took four tricks in that suit for down one.

In the replay, against the same contract, the lead was again a diamond. But when East won the second trick with the club ace he persevered with diamonds and

Soloway as South claimed 10 tricks. The Nickell team gained 10 imps en route to victory.

**NORTH**  
AKQJ42  
763  
97  
Q43

**WEST**  
883  
AK1085  
K10652  
47

**EAST**  
5  
K73  
J93  
AK10652

**SOUTH (D)**  
1097  
Q42  
AK84  
K78

East and West were vulnerable.  
The bidding:  
N: 1NT. Pass. 2♠. Pass.  
S: 2♠. Pass. Pass. Pass.  
West led the diamond five.

الاحوال



## ASIA/PACIFIC

## Pakistani 'Defector' Unconvincing

**New York Times Service**  
**NEW YORK** — A group of scientists who interrogated a Pakistani claiming to be a defector from his country's nuclear weapons program has concluded that the person knows nothing about nuclear physics.

The story told by Iftikhar Khan Chaudhry, who is seeking asylum in the United States, "just seems to be made up out of whole cloth," said Frank von Hippel, a professor at Princeton University who helped organize the interrogation session, which was carried out in English and also in Mr. Khan's native Urdu language.

Last week, Mr. Khan asserted at a series of news conferences that, as a research scientist in Pakistan's nuclear weapons program, he was present at a meeting on April 25 — just weeks before India and Pakistan conducted underground nuclear tests.

In his account, he said that the Pakistani military high command, fearing a nuclear strike by India, authorized a preemptive nuclear attack on New Delhi within 48 hours.

Mr. Khan said he was ready to disclose secrets.

But the Pakistani's story is now being looked upon with skepticism.

In the ensuing days, Pakistani officials investigated and said he was actually a low-paid accountant for a maker of bathroom tile.

Mr. Khan's account, however, was front-page news in India, increasing tension in the Subcontinent.

"Talking to him, in the first few sentences, it was clear his story was not quite credible," said Dr. Abdul Nayyar, who is a professor of physics at Quaid-i-Azam University in Islamabad and a visiting research fellow at Princeton University.

"He gave either no answers or very wrong answers," Dr. Nayyar said.

## India's Nuclear Reasoning Under Fire

Islamabad Calls for Verification of New Delhi's Charges of Infiltration

By Barbara Crossette  
New York Times Service

**NEW YORK** — A senior Pakistani official says that India is using a fictional threat from China and unverified charges of Pakistani terrorist infiltration into Kashmir to justify its nuclear weapons program and revive threats against Pakistan.

"We say that to verify these charges, let neutral international observers be sta-

tioned on both sides," said the official, Foreign Secretary Shamsud Ahmad, in a speech to the Asia Society in New York. "India has always refused."

Mr. Ahmad said that India has never made available to Pakistan names or other information about infiltrators that New Delhi said it had captured in connection with the planning or execution of attacks in Kashmir, a Muslim-majority territory that is considered a flash point for war between the two nations.

Last week, India shocked the United Nations by refusing to meet with a representative of Kofi Annan, the UN secretary-general, who was sent to the region to offer UN help in cooling regional tensions.

The envoy, Assistant Secretary-General Alvaro de Soto, was welcomed in Pakistan and also visited Sri Lanka — although India, which monitors the foreign policies of its smaller neighbors, asked the Sri Lankans not to receive him at a high level, officials said.

Mr. Ahmad said that India's boast of having "a big bomb," its numerous nuclear and missile tests, its acquisition from Russia and elsewhere of billions of dollars in new military equipment, its threat to seize Pakistan's portion of Kashmir, and its plans to build temples on the ruins of mosques have cost it international standing.

"The facade of an India upholding universal values has finally been lifted," he said.

But Mr. Ahmad, who has just met with U.S. officials in Washington, echoed comments that Indians have made no trips to the United States when they criticize the government and the Congress for focusing too much on the issue of nuclear weapons and not enough on the regional security concerns of South Asians.

He said that giving in to repeated demands to relinquish the nuclear option would be tantamount to "forfeiting our right to exist."

India and Pakistan have fought three wars in 50 years, one of which broke apart Pakistan, creating Bangladesh, and Pakistan is afraid of losing more territory.

In the Indian state of Jammu and Kashmir recently, armed groups have attacked Hindu communities, inflaming public opinion in New Delhi, where a Hindu nationalist government is in power.

Kashmiri-American leaders say that at least some of these attacks were carried out by Indian-sponsored counterterrorists with the intent of discrediting Kashmiri separatists and giving the Indian government excuses to increase repression in the Kashmir valley.

The Indian home minister and officer in charge of the Kashmir issue, Lal Krishna Advani, has made a series of threatening statements based on such events, which Pakistanis have interpreted as laying the ground for possible attacks across the disputed border. Mr. Advani is on record as saying that India

should recover the parts of the region under Pakistani control.

Two-thirds of Kashmir has been occupied by India and one-third by Pakistan since the two nations gained independence in 1947 and the future of the territory was left unresolved by Britain.

India has refused to allow a UN plebiscite to take place among the Kashmiris.

Mr. Ahmad said Tuesday that Pakistan would not agree to making the cease-fire line between Indian and Pakistani troops in Kashmir an international border, as some diplomats have suggested as a first step toward reducing tensions.

"That would violate UN Security Council resolutions calling for a free and fair plebiscite," he said.

Mr. Ahmad did not respond directly to repeated Indian hints that New Delhi might agree to sign the international Comprehensive Test Ban Treaty at some point, as the five permanent members of the Security Council have urged.

But he said that the possibility of Pakistan's signing before India — a break with a longstanding policy of waiting for New Delhi to act first — was being discussed "at all levels" in the Pakistani government.

In a speech largely devoted to Pakistan's history of living in the shadow of a better-armed India and the rebuffs Pakistanis have received to all proposals for regional disarmament, Mr. Ahmad said that his Islamic country now faces an Indian party "whose actions the prime minister justifies in Parliament on the basis of Hindu mythology."

Mr. Ahmad said that Pakistan had little faith in bilateral talks between the two nations, which the United States and other nations are encouraging, because they have never solved fundamental problems.



**A WORRYING MONSOON** — A family in Bhiwandri, India, about 80 kilometers (50 miles) from Bombay, waiting anxiously Wednesday following heavy monsoon rains that brought flooding to the region. More than 1,000 families were taken to safer ground as the weather bureau predicted more heavy rainfall.

## Burma Police Block Trip by Dissident

**YANGON, Burma** — A key opposition leader, Aung San Sun Kyi, returned home unharmed Wednesday after a standoff of nearly 24 hours with police officers on a road outside the capital.

Testing the junta's edict that prevents her from leaving Yangon unescorted, Aung San Sun Kyi, the winner of the 1991 Nobel Peace Prize, drove 80 kilometers (50 miles) north.

Policemen at the scene told her and three others in her car to return to Yangon, but she refused.

Soldiers lifted the car and turned it around to face the capital.

(AP)

## Tense Calm Returns To Irian Jaya Cities

**JAKARTA** — An uneasy calm returned Wednesday to two cities in the remote province of Irian Jaya where

Indonesian troops opened fire on pro-independence demonstrators, witnesses said.

But students in the capital of Jayapura still barred police officers from entering their campus.

In the island town of Biak, where at least one man was killed and 141 were wounded Monday, daily life was gradually returning to normal, residents said.

Unconfirmed reports have said five were killed in Biak when troops opened fire on a crowd that raised a separatist flag.

(APF)

## Australians Approve Native Land Curbs

**CANBERRA** — The Australian government narrowly won a battle on Wednesday to adopt legislation watering down native land rights, sparking fury and cries of "shame" from Aborigines and opposition groups.

The bill, twice rejected by the Senate, was passed by just two votes and resolves a political standoff that had

threatened to provoke immediate elections dominated by race issues.

It moves to end a five-year conflict with farmers by reforming native title laws which they saw as unworkable and was passed after the longest Parliament debate on record.

Farmers and the mining industry welcomed the bill, but angry Aboriginal leaders say it has robbed them of 90 percent of their rights.

(AP)

## Sea Horses in Asia Said to Dwindle Fast

**CEBU, Philippines** — Asia's once-abundant population of sea horses has declined alarmingly in recent years because of environmental changes and heavy demand for their use in traditional medicines, aphrodisiacs and aquariums, conservationists said Wednesday.

"We're dealing with a situation where we still have time," said Heather Hall of London's Zoological Society. "But there is now a grave cause for concern."

(AP)

## JAPAN: Hashimoto, Running Scared to Keep His Job, Now Backs Permanent Tax Cuts

Continued from Page 1

"the last bomb they are going to lob at the opposition."

On Wednesday, Mr. Hashimoto called the race "very tough." But he added, "We will fight to the very last second to hang onto any seat we can."

Mr. Hashimoto had hoped this election would strengthen his hand in fixing the economy. It now appears the best he can hope for is to avoid a disaster that would significantly reduce his ability to push through difficult banking and economic reform measures.

Mr. Hashimoto has indicated that this election is a referendum on his handling of the economy, and it is widely believed that he will not be able to hold onto his post if his party loses.

Mr. Hashimoto is due in Washington on July 22 for a state visit, and he had planned on triumphantly arriving there

with a stronger backing from his fractured party.

Several analysts said Wednesday night that Mr. Hashimoto's last-minute pledge for tax cuts — and particularly his statement that tax reform would not mean reviewing the large number of low-income Japanese who pay no tax at all — will be enough to head off defeat for his party.

"It will certainly help and it may sound victory for them," said a political commentator, Minoru Morita.

He added that Mr. Hashimoto's tax cut pronouncement was the result of party leaders' "freezing, turning blue" when they saw the new data from the latest polls that showed that their 61 seats could dip into the 50s.

Mr. Hashimoto had said in April that he favored a one-time income tax cut of about \$15 billion. Then last Friday, he used "well-calculated words" that were

intentionally meant to be viewed as support for permanent tax cuts, Mr. Morita said. But then on Sunday, Mr. Hashimoto backed away from that, saying that he had been misinterpreted and that taxes could after all remain "neutral."

Mr. Morita said other party members, who do not support tax cuts and worry about where the money would come from to pay for them, were angry that Mr. Hashimoto had supported the cuts.

But in the face of new signs that Sunday's vote will be tougher than expected, the party and Mr. Hashimoto apparently decided to publicly support the tax cut.

Japan has among the highest income taxes in the world, with the wealthiest paying a rate around 65 percent. Increasingly those high taxes have been seen as a choke on the economy and reducing them a way to revive it.

Mr. Hashimoto never mentioned

Wednesday how the government would pay for tax cuts. Once again, his comments were viewed by investors and economic analysts as too vague and halfhearted to boost Japan's financial markets.

Much of Mr. Hashimoto's political problems lie in the public's lack of confidence in his ability to reverse Japan's nagging recession. The prime minister's repeated waffling on fix-it measures has contributed to a public image that he and his lieutenants are not only divided over how to pull Japan out of its recession, but are not up to the job of doing it.

Although Mr. Hashimoto's approval ratings are dismal and world leaders have criticized Japan's political dithering for the flagging economy that threatens to wreak havoc on the world's wide economy, the Liberal Democrats had appeared headed for a relatively easy time in Sunday's elections.

The Sports

Czech Rival Join Forces In Political Power Play

## Korea Expels Envoy in Rift With Russia

International Herald Tribune

**SEOUL** — South Korea on Wednesday expelled a Russian diplomat who it said was an agent for Russia's Federal Security Service.

The expulsion of the diplomat, listed as a counselor of the Russian embassy here, came a day after the return from Moscow of Cho Sung Woo, a Korean Embassy counselor with Russia's Federal Security Service said had worked for South Korea's National Security Planning Agency.

The Foreign Ministry, echoing the Russian charges against Mr. Cho, charged that the Russian Embassy counselor, Oleg Abramkin, had engaged in "activities which do not suit the status of a diplomat" ever since he arrived here nearly four years ago.

Unlike Mr. Cho's accusers in Moscow, however, the South Korean government did not detain Mr. Abramkin, did not reveal his expulsion in advance to the local media and did not specify what Mr. Abramkin had done to warrant expulsion.

Instead, the chargé d'affaires of the Russian Embassy, Valeri Subinin, was summoned to the Foreign Ministry and told that Mr. Abramkin had 72 hours to leave the country.

South Korean officials implied that the Russians had violated a tacit understanding under which a Korean intelligence agent could operate from the Korean Embassy in Moscow.

The South Korean foreign minister, Park Chung Soo, added to the mystery of Mr. Cho's activities by saying, "We've yet to analyze all the information involved." That remark, said a South Korean press agency, suggested that "the foreign ministries of the two countries were waging a proxy war for intelligence agencies of the two countries."

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## EUROPE

## The Spoils of a Blood Feud: Rich Veins Buried Deep Beneath Kosovo

By Chris Hedges  
New York Times Service

STARI TNG, Yugoslavia — The metal cage tumbled to the guts of the Stari Tng mine, with its glittering veins of lead, zinc, cadmium, gold and silver, its stagnant pools of water and muck, its steamy blasts, its miles of dank, gloomy tunnels and its vast stretches of Stygian darkness.

As the iron box rattled and squealed on the ear-popping journey, dropping at 18 feet a second, it left behind the potent symbols of nationalism and ethnic identity scattered in disarray on the ground above. Instead, in the still cacophony, it exposed the real world of Kosovo.

The medieval Serbian monasteries and churches, crumbling mosques with silver domes and spindly minarets and a dark stone tower brooding over the Field of Blackbirds, where the Turks wiped out Serbian nobles 600 years ago and began 500 years of Ottoman rule, seemed to evaporate in the thin air.

The fighting between the rebels of the Kosovo Liberation Army, with their intoxicating visions of an independent state, and the 30,000 Serbian soldiers and special policemen, who rule the province of Kosovo like a plantation, touched on one here. Neither did the rattle of gunfire, the thud of mortars, the anguish of refugees and bodies of the recently killed.

A half-mile underground, hissing rubber air hoses were looped along tunnel walls and small lights hooked on the hard hats of miners bobbed

in the inky universe. Worm-like diesel loaders roared through the corridors, laden with sparkling ore, and huge drills snarled and spar at the rock.

There is over 30 percent lead and zinc in the ore," said Novak Bjelic, the mine's beefy director. "The war in Kosovo is about the mines, nothing else. This is Serbia's Kuwait — the heart of Kosovo. We export to France, Switzerland, Greece, Sweden, the Czech Republic, Russia and Belgium."

"And in addition to all this, Kosovo has 17 billion tons of coal reserves. Naturally, the Albanians want all this for themselves."

The sprawling state-owned Trepcia mining complex, the most valuable piece of real estate in the Balkans, is worth at least \$5 billion and has made millions of dollars for President Slobodan Milosevic of Yugoslavia, according to his critics. Serbia and its junior partner, Montenegro, are what remains of Yugoslavia.

In March 1989, Mr. Milosevic revoked the autonomous status given to the ethnic Albanians, who make up 90 percent of the 2 million people in Kosovo, and he has refused to return any kind of self-governance. He is trying to crush a mounting armed resistance to his rule, and it appears that the mines, at least for a while, will earn him even more money.

The Stari Tng mine, with its warehouses, is ringed with smelting plants, 17 metal treatment

sites, freight yards, railroad lines, a power plant and the country's largest battery plant.

"In the last three years we have mined 2,538,124 tons of lead and zinc crude ore," said Mr. Bjelic, 58, "and produced 286,502 tons of concentrated lead and zinc and 139,789 tons of pure lead, zinc, cadmium, silver and gold."

When the Nazis seized this corner of the Balkans in 1941, they handed over the hovel in Pristina, the provincial capital, to the Italian fascists. But they kept the British-built Trepcia

nationalist movement led by Mr. Milosevic, the ethnic Albanian miners, who made up 75 percent of the 23,000 employees, shut down the mines and organized a 30-mile-long protest march to Pristina. They carried photos of the late Communist leader, Josip Broz Tito, and Yugoslav flags adorned with the Communist red star. The fealty shown to the old Yugoslavia appears naive and quaint given the armed rebellion under way in the province.

"We believed in Yugoslavia," said Burhan Kavaja, ex-director of the Stari Tng mine, who was dismissed and imprisoned after the first strike. "We wanted to belong. You would never see an Albanian carry the state flag today. This conflict will only end now with our independence. Until then the Serbs will loot the mineral wealth of Kosovo."

Mr. Milosevic promised the strikers that he would respect the province's autonomy and remove nationalist Serbs from positions of power. The miners returned to the shafts. A year later the miners, realizing that they had been betrayed, began a series of hunger strikes and occupied the mines.

The mine protests led to general strikes throughout Kosovo, making Trepcia the nerve center of the resistance movement.

Serbian special policemen eventually seized the mine, carrying weakened miners out on stretchers. When the province's autonomy was revoked, a state of emergency was declared. The ethnic Albanian miners were replaced with

Poles, Czechs and — later — Muslim prisoners of war captured by the Serbs in Bosnia.

These days, no more than 15 percent of the 15,000 mine workers are of Albanian origin, the government says, and most ethnic Albanians insist that the percentage is even smaller.

Branimir Dimitrijevic, one of the mine's managers, waded through a corridor filled with water, slime and mud that reached up and around his black rubber boots. A huge Swedish iron-cutting machine, one of four in the mine, whirled and belched like some deep-sea monster. Spotlights mounted on its cab lit up a vein of ore, and as the minerals oxidized, creating a suffocating heat, the miners were left gulping for air.

The workers, bare-chested and blackened with grime in the vast sweat house, stood aside when a trolley loaded with chunks of rock rumbled down a tunnel on the iron tracks.

A few days ago, Mr. Dimitrijevic received the disturbing news that a nearby factory, where clothing for the miners is produced, had been seized by the rebels. Armed separatist guerrillas now guard the gates, and Serbs avoid the dirt road to the factory. No one has yet tried to take it back.

"We will never give up Trepcia!" he shouted over the drilling. "Serbs will fight to defend the mine. It is ours. We know how to make war if this is what the Albanians want. When they come to take my brother, then I will take three Albanians to my private prison until he is released. This is the only way to fight. This is the only language the Albanians understand."

**A half-mile under the ground on which ethnic identity and nationalism dominate, the fight is over at least \$5 billion in mineral wealth.**

mines, shipping out wagonloads of minerals for weapons and producing the batteries that powered the U-boats. Submarine batteries, along with ammunition, are still produced in the Trepcia mines. The mining history reaches back to the Romans, who hacked out silver from the quarries.

In 1988, as Yugoslavia began to disintegrate, the fiercest resistance to Mr. Milosevic's vision of a Serb-dominated Yugoslavia roared out of the shafts of the four Trepcia mines.

Angered by the growth of the Serbian na-

## Czech Rivals Join Forces In Political Power Play

By Peter S. Green  
International Herald Tribune

PRAQUE — The Social Democrats said Wednesday that they will form a minority government with the support of their arch rivals, the rightist Civic Democrats of ousted Prime Minister Vaclav Klaus.

The pact would end two weeks of uncertainty after nationwide parliamentary elections saw the Czech electorate split its vote. The two smaller centrist parties refused to join a Social Democrat-led government.

The agreement would include the Social Democrat leader, Milos Zeman, as prime minister and Mr. Klaus as chairman of the key lower house of Parliament. But it would leave President Vaclav Havel unhappy, and is unlikely, say analysts, to implement urgently needed economic and political reforms.

The move shocked the country, which only two weeks ago had split its vote between the two parties. Mr. Klaus and Mr. Zeman had waged vitriolic campaigns against one another before parliamentary elections two weeks ago. Mr. Klaus had even called for voters to "mobilize" against Mr. Zeman, who he suggested would return the country to communism.

Mr. Klaus agreed to support Mr. Zeman before even opening formal talks with the two smaller center-right parties.

Commentators said the left-right accord was little more than a plan to grab power from smaller parties and from Mr. Havel himself, and that it threatened the republic's pluralist democracy. They said it would do nothing to combat economic recession, widespread corruption, and growing racial tension, or to ensure the country's entry into the European Union.

Mr. Havel is expected to formally name Mr. Zeman prime minister on Thursday, but a presidential political adviser, Jiri Pehe, said the president was "in no way enthusiastic about this," and he added that Mr. Havel considered the coalition to be about splitting political power.

"Before the election the ODS was talking about the dangers of a leftist government and the Social Democrats were talking about the ODS scorched-earth policies," Mr. Pehe said. "If mainstream parties play these games with voters, then the extremists could come back in a big way."

A London-based Czech analyst, who asked not to be identified, said the coalition "won't do anything to solve the economic problems, and Zeman can just forget about the clean-hands policy."

The Prague stock exchange's main index fell 0.2 percent on the news amid fears that the government would not be able to pursue clear economic policies.

Both Mr. Klaus and Mr. Zeman have said they would like to change the country's current voting system of proportional representation to keep smaller parties out of Parliament, and limit the powers of the president.

But there seems to be little else on which they can agree.

The Social Democrats want to use deficit spending to stimulate the economy.

They also want to maintain the country's low unemployment rate and extend the social safety net.

The Civic Democrats want to trim the safety net, but in Mr. Klaus's five years as Czech prime minister, incomplete reforms, loose capital-markets regulation, high government spending and an overvalued currency failed to reform the economy.

Last quarter the economy shrank by 0.9 percent, and economists say the currency is overvalued by about 15 percent. Mr. Klaus said the agreement with Mr. Zeman was necessary to restore "political stability" to the country, but newspaper commentators called it a sham.

"Talk of political stability is a fraud," said Jiri Leschinska in the newspaper Mlada Fronta Dnes.



Burned-out cars remaining Wednesday from a night of violence in the Shore Road neighborhood of Belfast.

## Orangemen and Blair Set Meeting

Compiled by Our Staff From Dispatches

BELFAST — The march confrontation in Northern Ireland entered its fourth day Wednesday as Protestant Orangemen prepared for meetings Thursday with Prime Minister Tony Blair to defuse tension before another round of the controversial marches this weekend.

For the third night running, there were disturbances and protests across the province, but the scale of unrest was less than on the two previous nights, the police said.

Members of the Protestant Orange Order, who want to march down the flash-point Garvaghy Road in the town of Portadown, continued to square up to the police and soldiers who had blocked their route for four days.

Mr. Blair's spokesman said the government was not in a position to reverse the ban on the Garvaghy Road march, and a compromise seemed unlikely to emerge from the talks in London.

"If the Orangemen have any sense of that, then they are wrong," the spokesman said. "We cannot change a decision made in law."

A senior Orangeman in Portadown suggested there would be little point in a meeting if Mr. Blair had already made up his mind.

"I think we need to be careful that Tony Blair doesn't fall into the trap that he has advised many other politicians against," that "when they go into talks like that there should be no preconditions," the Orange Order spokesman, David Jones, told BBC radio.

The decision to ban the Orangemen from Garvaghy Road was made by the independent Parades Commission, which wanted to avoid the kind of violence that could wreck Northern Ireland's fragile peace process.

The deputy leader of the main Protestant political party, the Ulster Unionists, said there would be worse violence if

the Orange Order were not allowed to march. "It's a no-win situation," John Taylor told reporters. "If you let the parade go down the Garvaghy Road, there will be violence, and if you try to restrict it, there will be violence."

Meanwhile, the first contingents of an extra 800 British soldiers being sent to Northern Ireland were expected to arrive Wednesday, bringing the troop presence in the province to 18,000. They have been sent ahead of the 554 Protestant marches due to take place across the province this weekend.

Sunday is the anniversary of the 1690 Battle of the Boyne, when Protestant William of Orange defeated forces of the Roman Catholic King James II, and is the biggest occasion in the Orange Order calendar. The planned parades include one through a Catholic area of Belfast, and there are fears that if the Drumcree standoff is not resolved, many marches could turn violent. (AFP, Reuters)



**VOLUNTEERS** — Deborah Corbi, left, head of the Association of Aspiring Women Soldiers, leading a protest Wednesday in Rome outside the Chamber of Deputies over the slow progress of a law allowing women to join the military. The group says the government has reneged on a promise to get the law passed by this summer.

## BRIEFLY

## Hungarian Leader Assumes His Post

BUDAPEST — Hungary's president on Wednesday formally authorized Prime Minister Viktor Orban's center-right government to take up duties.

President Arpad Gombaszegi handed over certificates allowing Mr. Orban and his cabinet to run the country. A brief parliamentary swearing-in ceremony was scheduled for later Wednesday.

Combating organized crime and improving economic performance top the list of priorities of the new government, which will hold its first session Thursday.

Heading the Interior Ministry is Sandor Pinter, the country's former top police officer, who was fired by the previous government after an upsurge in organized crime that in the past six months has been blamed for 17 bombings in the capital alone.

The most recent bomb attack ripped through Budapest last Thursday, targeting and killing a police informer. Three other people were also killed and 24 wounded. A police investigation has so far produced no results.

Mr. Orban also wants Hungary to be a stable partner to foreign governments and foreign investors. (AP)

## U.S. Envoy Meets With Baltic Officials

RIGA, Latvia — U.S. Deputy Secretary of State Strobe Talbott and the foreign ministers of Latvia, Estonia and Lithuania met Wednesday to buttress the growing U.S.-Baltic cooperation that the Kremlin is watching warily. The meeting in the Latvian capital was the first session of the Partnership Commission formed by the U.S.-Baltic Charter that was signed in January.

In that document, the United States affirmed its support for the three former Soviet republics' efforts to join NATO. Russia is adamantly opposed to their membership, saying that bringing the Western military alliance to Russia's western border would be potentially destabilizing.

Mr. Talbott on Wednesday reiterated Washington's contention that Russia has nothing to fear from NATO. "If Russia can come to see the Baltics not as a passageway for invading armies or as the buffer against imaginary enemies but as a gateway outward, to the new Europe, of which it seeks to be an increasingly active part, then everyone will benefit," he said, according to the Baltic News Service. (AP)

## A Dutch Minister Plans to Step Down

THE HAGUE — Foreign Minister Hans van Mierlo of the Netherlands announced on Wednesday he would resign.

Mr. van Mierlo, foreign minister since 1994 and founder of the coorist D66 party, said he would not return in the next cabinet or take a seat in the new Parliament.

Elections on May 6 returned the ruling coalition of Labor, Liberals and D66 in a stronger overall position, but delivered a blow to D66. The junior partner lost 10 of its 24 seats and has since agreed to surrender one of its three ministerial posts.

"It's a shame, but I recognize the logic," Mr. van Mierlo told a news conference. His decision to quit clears the way for the Liberals to take the Foreign Ministry job.

Mr. van Mierlo, who stepped down as D66 leader last year, was a newspaper editor when he set up the party in September 1966 with the aim of shaking up the political system. (Reuters)

## Germany Lifts Veil On Secret Archives

BONN — The German government waived a 30-year secrecy rule Wednesday and opened its archives on the momentous events following the collapse of the Berlin Wall.

Eckart Wenterbach, junior interior minister, said the government had made the decision because of the exceptional nature of that period in history. The move will help shed light on events that have continued to cause speculation and controversy around the world.

East and West Germany were formally reunited in October 1990, after the Berlin Wall, symbol of the Cold War division of Europe, came down in November the previous year amid scenes of mass rejoicing.

The opening of the archives comes as confidential papers belonging to Chancellor Helmut Kohl relating to the reunification period are being published. (AFP)

## It's About Time to Bring Up the Bubbly

Salvagers Trying to Raise Sunken Ship With Well-Aged Champagne

**ABOARD THE PERNILLE DIVER,** Baltic Sea — Divers struggled in the icy Baltic Sea on Wednesday, trying to put a special harness around a ship laden with cognac and champagne that was sunk in 1916. Salvage operators hope that the hull can be raised by a floating crane.

The divers, part of a Swedish-led mission to salvage the ship and its apparently well-preserved content, were working in six-hour shifts around the clock, said the salvage operation master, Paw Jacobsen.

Mr. Jacobsen said the divers, who were braving heavy pressure at 64 meters (210 feet) under water, had placed a sling under the sunken ship's aft, but were delayed in the bow by debris on the deck.

"The lifting is now delayed until Thursday," he told reporters who are aboard the 560-ton floating crane Pernille Diver.

The divers spend up to six hours under water in one descent and must stay four hours in a decompression chamber to avoid the bends when they surface.

The ketch Jonkoping carried 5,000 bottles of 1907 Heidsieck & Co. champagne and 67 casks of cognac for the Russian Army garrison in Finland during World War I. The ketch was sunk by a German submarine.

Claes Bergvall, the head of the expedition, hopes that the value of the liquid treasure aboard the Jonkoping

will rise into the hundreds of millions of dollars if the experts' predictions — that the cold and dark Baltic created ideal maturing conditions — prove right.

Several hundred champagne bottles have been recovered already, and those who have tasted it have been ecstatic.

A French expert, who identified the Heidsieck's sweet taste as "gout americain," wrote that it was preserved so well that a blind tasting would put its age at 10 years.

"This wine is completely exceptional and surprising," Claude Maralier, a Paris-based wine-taster, wrote. "Its immersion up to the present seems to have been an indisputable factor of its perfect conservation."

Mr. Bergvall hopes each champagne bottle will fetch over \$3,000 at auction and plans to put the cognac, if indeed it is well-preserved, into specially designed bottles before selling it to connoisseurs. He says up to 80,000 bottles could be filled.

Once the ship is lifted close to the surface, the cargo will be removed to the Pernille Diver, he said.

He is still undecided about what to do next, since bringing so much liquor into either Sweden or Finland, which have strict alcohol rules, could result in a long legal struggle.

"I'm waiting for legal advice on where to take the cargo, and we may have to take it to Denmark or Germany," Mr. Bergvall said.

Mr. Bergvall found the wreck a year

ago after months of digging in libraries to find out about the Jonkoping's ill-fated journey, which ended just 25 miles from the ship's destination port of Rauma on Finland's west coast.

Mr. Bergvall's ambition is to tow the Jonkoping back to its home port of Gavle in Sweden and turn it into a museum. He is also planning to salvage another small vessel sunk in the Baltic that might have carried smuggled gold.

But he vows to embark on that adventure in secret after the Jonkoping's bubbly treasure lured a rival Finnish mission that, he said, threatened to snatch it from under his nose.

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## INTERNATIONAL

## Sudden Death of Leader May Fuel More Turmoil and Bitterness in Nigeria

By Howard W. French  
New York Times Service

With the abrupt death of Nigeria's most prominent civilian politician, Moshood Abiola, Nigeria has lost in only one month the two leaders whose rivalry locked the country in a costly four-year stalemate.

When President Sani Abacha, Mr. Abiola's one-time friend and, more recently, jailer and tormentor, died last month, many Nigerians were relieved, saying that with the steel-fisted dictator gone, political life at last could move forward. The opposition wanted Mr. Abiola proclaimed the rightful president because he was clearly winning the 1993 elections before the military annulled them. But the seemingly more moderate generals who succeeded General Abacha balked at the idea of Mr. Abiola as president. Instead, the new government and Nigerian opposition figures say, some Western diplomats appeared set on persuading Mr. Abiola that he had no claim on the presidency and should gracefully fade from the scene.

At one level, Mr. Abiola's death would seem to

settle the issue neatly. But in a country where few events — especially sudden deaths — rest on their readiest interpretations, where ethnic and regional divisions remain immense and where the military's history of dominating politics is so complete, Mr. Abiola's surprising end is only likely to further complicate matters, at least in the turbulent short term.

There is already considerable resentment in Nigeria about what is seen as a failure on the part of Western powers to demand that the military turn over government to civilian democratic rule.

Add to this Mr. Abiola's death, and the main result is a potentially explosive situation in which everyone distrusts everyone else, including the outside brokers who have come to help ease the country forward.

In this instance the outsider is the UN secretary-general, Kofi Annan, who came to Nigeria last week and announced after a meeting with Mr. Abiola that the politician wanted to "get on with his life" and would no longer insist on claiming the presidency.

## NEWS ANALYSIS

Mr. Abiola's family and close supporters immediately disputed these statements and asked bitterly why the jailed politician had not been allowed to speak to the nation directly, or even meet with his own advisers.

Mr. Annan's visit was followed Tuesday by that of Thomas Pickering, U.S. undersecretary of state for political affairs and a former ambassador to Nigeria, who met with Nigeria's new leader, General Abdulsalam Abubakar, and was with Mr. Abiola when he became ill.

Diplomats in Mr. Pickering's delegation said they had come to Nigeria to insist on the release of all political prisoners, a return to civilian rule and an early date for new elections. Conspicuously absent, however, was any demand for a formal political role for Mr. Abiola, the presumed winner of what have been widely called the country's most democratic elections.

In comments not intended for attribution, Western diplomats have told journalists that Mr. Abiola's 1993 election can no longer be considered valid, and it is widely assumed that they, like Mr. Annan, were seeking to ease Mr. Abiola from the scene.

"The idea of these missions was good in theory if they were aimed at pressuring the government to release Abiola and the other prisoners and get on with elections," said Walter Cunningham, a recent U.S. ambassador to Nigeria.

But starting with Annan's statements about renouncing a claim to the presidency, any effort to get Abiola to relinquish his mandate was very wrong," he added. "We should have insisted on his unconditional release and that he be allowed to meet with his supporters and not be forced to make agreements under duress."

Western ambivalence toward Mr. Abiola is long-standing. After the 1993 elections were annulled, Washington and London protested for a time, but then stopped short of seeking validation for the results. Similarly, Western diplomats routinely urged the government to release Mr. Abiola on humanitarian grounds, but never dwelled on his presumed mandate. The reasons for this ambivalence, always invoked off the record, ranged from his supposedly mercurial character to his alleged contacts with Nigerian drug cartels.

But for all his shady business dealings with

military leaders and high-level involvement in the heavily corrupt civilian politics of the 1980s, Mr. Abiola's more recent democratic credentials were as solid as they came in Nigeria.

Nigerian government officials and Western diplomats alike acknowledge that in the 1993 race, Mr. Abiola, a millionaire businessman, was winning in every region of this traditionally polarized country.

The Nigerian reaction to Mr. Abiola's death, and to the latest diplomacy, has been swift and powerfully bitter, particularly in the southwest, where his Yoruba ethnic group — one of the nation's three largest — deeply resents what it sees as yet another chapter in its deliberate exclusion from power.

"Nobody in Nigeria will believe that M.K.O. (Moshood) Abiola renounced the presidency," said Gani Fawehinmi, head of the Joint Action Committee of Nigeria, which groups anti-military opposition forces.

"What people will rather believe is that all of the pressure being placed on him killed Abiola. But those who wanted to be rid of Abiola will soon wish that he was back."

Major Nations Urge Halt To Aid for Kosovo Rebels  
Contact Group Calls on Serbs to Stop AttacksBy Craig R. Whitney  
New York Times Service

PARIS — The United States, Russia and European countries monitoring fighting between ethnic Albanian and Serbian forces in Kosovo Province condemned outside support for the rebels Wednesday and urged all states to keep exile groups from financing arms for the insurgents.

Warning that chances of a peaceful settlement had deteriorated over the past month, diplomats of the six countries, meeting near Bonn, called on President Slobodan Milosevic of Yugoslavia to live up to commitments he made in Moscow on June 16 to stop the Serbian attacks and resume dialogue with the ethnic Albanian political leadership in Kosovo under Ibrahim Rugova.

For the first time, the six Contact Group states also agreed that the Albanian negotiating teams should include representatives of the fighters, some of whom have claimed recently that Mr. Rugova did not speak for them. Like the rebels, Mr. Rugova has called for independence for the province, a goal the Contact Group countries, the United States, Russia, Germany, Italy, Britain and France, do not endorse.

"To speed negotiations, the six countries said they had agreed to suggest to the two sides some basic elements of a political settlement. Although officials did not elaborate Wednesday, they have said that any settlement would have to restore the autonomy that Kosovo had before Mr. Milosevic, then the leader of Serbia, revoked it in 1989.

The majority of the province's 2 million people are ethnic Albanians, and the diplomats in Bonn also expressed con-

cern Wednesday about the danger that the conflict could draw in Albania as well as Macedonia, which also has a sizable Albanian ethnic minority, unless the situation under control.

Officials of the North Atlantic Treaty Organization said Wednesday in Brussels that military contingency plans could be put into effect within hours if NATO was called upon to act in Kosovo, and the Contact Group states threatened again to consider military steps if the belligerents ignored demands to stop the fighting.

The six countries also said they would work for a United Nations Security Council resolution calling on both sides to stop fighting, requiring Mr. Milosevic to keep his promises to resume dialogue, and requiring both the Serbian authorities and the rebels to ensure the safety of international observers in Kosovo.

Reflecting the frustration that an American special emissary to the Balkans, Richard Holbrooke, said he and other U.S. diplomats had experienced last weekend with disunity between the Albanian political leadership in Pristina and the fighters of the Kosovo Liberation Army, the statement from Bonn on Wednesday was almost as critical of the insurgents as of Mr. Milosevic.

"Although the primary responsibility for the situation in Kosovo rests with Belgrade, the Contact Group acknowledges that armed Kosovo Albanian groups also have a responsibility to avoid violence and all armed activities," it said. "The Contact Group reiterated that violence is inadmissible and will not solve the problem of Kosovo. Indeed, it will only make it more difficult to



General Wesley Clark, Supreme Allied Commander Europe, left, with the Albanian defense chief, Aleks Andoni, on an Italian warship that was visiting Albania with three other NATO ships on Wednesday.

achieve a political solution. The Contact Group also concluded that all concerned on the Kosovo Albanian side should commit themselves to dialogue and a peaceful settlement and reject violence and acts of terrorism."

"The statement continued: 'The Contact Group insisted that those outside the Federal Republic of Yugoslavia who are supplying financial support, arms or training for armed Kosovo Albanian groups should cease doing so immediately.'

Robert Gelbard, the Clinton administration's principal troubleshooter in the area, said in Bonn that the Kosovo Liberation Army controlled more than 30 percent of the territory in the

province. But if the guerrillas did not agree to seek a peaceful settlement, he added, "We will try to interrupt their ability to sustain themselves through the full chain of supply." The Associated Press reported.

But the diplomats, none of whose countries had even acknowledged meeting with rebel military leaders until last month, agreed Wednesday that they would have to be part of the negotiating process if it was to have any chance of success.

"It is clear that the Kosovo Albanian team for all these talks must be fully representative of their community in order to speak authoritatively," the statement said.

## NIGERIA: Rioting Follows Abiola Death

Continued from Page 1

million people over three years. It is going to require 'enormous statecraft' from the government," he said. "I don't know whether we have the resources within ourselves to avoid the worst."

She said the only move by the military that might quickly calm Yoruba volatility would be for it immediately to resign in favor of a national unity government to usher in civilian rule. But even if General Abubakar were to contemplate such a step, she said, "we don't know how much in charge he is."

"Most of the people under him were people who were working for Abacha," she said.

It remained unclear that an autopsy might calm the widespread view that Mr. Abiola was poisoned. A careful post-mortem that turned up clogged arteries and a blood clot in a key blood vessel feeding the heart would strongly suggest

a natural death, said Dr. David Meyerson, a cardiologist at Johns Hopkins University in Baltimore who is spokesman for the American Heart Association.

But "you have to leave a little wiggle room," Dr. Meyerson said. Intelligence or military agencies focused on covert operations "might have access to substances that would be short-lived" that could cause a chaotic heart rhythm and then later be undetectable, he said.

## No Mention of Democracy

General Abdulsalam Abubakar dismissed the 34-member cabinet of civilian and military ministers but left the all-military ruling council untouched. Reuters reported from Lagos.

In an broadcast to Nigerians, General Abubakar made no mention of concrete plans to restore democracy, or to release more political prisoners, which the international community and local political groups have urged.

He described the death of Mr. Abiola as tragic because he was near freedom from detention.

## PALESTINE: A Timebomb on Statehood

Continued from Page 1

The PLO will remain an observer, but with the added right to take part in the General Assembly debates and co-sponsor resolutions.

The Israeli government condemned the PLO's application for a higher status as a "very gross and substantial violation" of the Oslo peace accords and campaigned fiercely against it.

Yes, with the U.S. efforts to persuade Mr. Netanyahu to make the territorial concession required to restart negotiations evidently stalled, and mutual recriminations between Israel and the Palestinians reaching vitriolic levels, the growing expectation among those who monitor the process is that Mr. Arafat — ailing at 68 and politically weakened — will have no choice but to proclaim the state that has been his goal for 30 years.

"Arafat needs to come to his people after five years of interim agreement with some substantial thing in his hand, which might push him to the declaration," said Ron Pundak, an Israeli historian and one of the academics whose secret meetings with the PLO laid the groundwork for the Oslo agreements.

Using Mr. Netanyahu's nickname, Mr. Pundak added: "Though I believe Arafat himself prefers to achieve statehood through negotiations, the gap between him and Bibi is huge. It's impossible to bridge. The pressure on him is severe."

Mr. Arafat's justification for setting May 4 as the deadline is that the day marks the end of the five-year transitional period stipulated in the Oslo accords, which began when Israel and the PLO signed the agreement in Cairo on that day in 1994.

What the Oslo timetable refers to as final-status talks were to have begun in May 1996 and were to be concluded by May 1999. A formal opening session was actually held in 1996, but later that May, Mr. Netanyahu was elected prime minister, and talks gradually ground to a halt.

"Oslo set a maximum time for reaching an agreement," said Nabil Shaath, a senior official of the Palestinian Authority. "This was the maximum time — not the minimum, not the average — after which the interim period falls on its face. When this happens, the status of the territories, whether it becomes an independent state or something else, is not really a matter of negotiations. It's entirely a matter for Palestinians to decide."

Israelis, of course, disagree vehemently. "Obviously the declaration of a state would be the scuttling of the Oslo agreement, and we would do whatever we found necessary to protect Israel from whatever threat would be posed by a Palestinian state," said David Bar-Ilan, Mr. Netanyahu's director of communications. "The first thing we would do is to try to dissuade the nations of the world from recognizing the state that came into being without negotiations."

The argument that a unilateral declaration of a state violates the Oslo accords, or veiled threats from Mr. Netanyahu, would probably not dissuade Mr. Arafat.

More than likely, his state would be quickly recognized not only by traditional supporters in the Middle East and the Third World, but also by Europe, which has been increasingly critical of Mr. Netanyahu's policies.

Though Washington has tried to steer Mr. Arafat away from a unilateral declaration, a statement by Hillary Rodham Clinton in January supporting Palestin-

ian statehood has been taken by Palestinians and Israelis alike as a reflection of White House sentiments.

The next question is: What would a declaration of statehood mean?

The Palestinian Authority has full control over most of the Gaza Strip and about 3 percent of the West Bank, and another 27 percent of the West Bank is under joint Palestinian-Israeli control. If Mr. Netanyahu agrees to the further withdrawal demanded by Washington, another 13 percent would come under partial Palestinian rule.

Mr. Arafat has told visitors that he will declare sovereignty only over territory he controls, but whether that includes the areas of shared control is unclear.

It is also unclear whether he would claim all the land conquered by Israel in the 1967 Arab-Israeli war, including East Jerusalem, as occupied territory belonging to his state.

If violence does erupt, all that is certain is that each side will blame the other.

## BRITAIN: Military Reform

Continued from Page 1

there, and the armed forces will have the capability to put people in the field," he said.

The plan also maintains Britain's nuclear deterrent, a move that is not seen as a surprise but reinforced the notion of just how far the Labour Party of Prime Minister Tony Blair has moved from its traditional policies. Through many years, while the party was in opposition in the 1970s and 1980s, its leftist leaders campaigned for unilateral nuclear disarmament and called for the country's Trident submarines to be brought ashore.

Mr. Robertson said the Trident would remain on patrol, but the number of operationally available nuclear warheads will be reduced from 300 to 200.

The army is to be restructured to improve its ability to train for, mount and sustain distant operations, with two deployable divisions — one based in Britain and the other in Germany where Britain has 22,000 troops stationed. Mr. Robertson confirmed Britain's commitment to buy 232 Eurofighters, the state-of-the-art European-built combat plane.

Mr. Segal said the plans would give Britain a force capable of dealing with two separate foreign crises simultaneously, a "middle power" strategy.

The United States is committed to being able to conduct full-scale war in two places at the same time. He said the idea was to dissuade one dictator from taking aggressive action because Western troops were tied up in another place.

Mr. Robertson stressed Britain's willingness to act fast with rapid deployment forces from other countries. "We will declare as potentially available to the United Nations a much larger proportion of our readily available forces," he said.

The military also plans to sell off more than \$1 billion of real estate across the country including some of the highest priced property in London, like the Duke of York's Headquarters on the fashionable King's Road in Chelsea and the nearby Chelsea Barracks, a 12-acre (5-hectare) site that overlooks the area where a flower show takes place every spring.

"Anything at all in the base would be worth £600 to £700 (\$990 to \$1,150) per square foot," said Stephen Miles-Brown, head of retail sales at Knight Frank.

## CYBER: New Horizons in Warfare Lack Rules, Strategy and a Command Structure

Continued from Page 1

and on the Joint Staff to give greater attention to offensive as well as defensive computer operations. And regional military commanders have been instructed to review their war plans for ways in which cyber weapons can be substituted for conventional munitions.

"That's causing some pretty aggressive thinking about how they might be able to go after some targets with electrons instead of iron bombs," said one informed congressional staff member.

Last year, military and intelligence officials overcame concerns and set up a joint Information Operations Technology Center at the National Security Agency, the supersecret organization responsible for surveillance of foreign communication networks. But there appears to be little inclination on the part of senior Pentagon officials to establish a special command for cyber operations.

"I don't think there's a special requirement to create a special process to deal with cyber weapons," said a general on the Pentagon's Joint Staff. "Clearly, the basic processes for getting approval are in place, the same ones we use for execution of any military plan."

The full extent of U.S. offensive capabilities for cyber warfare is among the most tightly held national security secrets. According to various accounts, the government has explored ways of planting computer viruses — or "logic bombs" — in foreign networks to sow confusion and disruption.

It has considered manipulating cyberspace to disable an enemy air-defense network without firing a shot, shut off electricity and telephone service in major cities, feed false information about troop locations into an adversary's computers and "morph" video images onto foreign television channels.

Pentagon officials say they are at an early stage of thinking about the various applications for cyber weapons and the legal, ethical and operational consequences of employing them.

But because of secrecy concerns, many of the programs remain known only to strictly compartmentalized groups, inhibiting the drafting of general policy or specific rules of engagement.

"It's a little bit like medical ethics," said a high-ranking Defense Department official. "The technology gives you the capabilities that go a lot further than the ethical context for using them sometimes. This is a very tough area."

A presidential decision directive last month outlining a plan for raising U.S. defensive barriers against computer at-

tack made no mention of the offensive side of the issue. Senior administration officials say no presidential directive about offensive capabilities is even in the works that might help resolve definitional and operational differences between the Defense Department and intelligence agencies.

Similarly, Congress has held next to no public debate on the direction the United States should be heading in inventing cyber weapons, writing guidelines for their use or weighing the potential international repercussions of unleashing them. At a Senate hearing last month that focused on the vulnerability of America's own information systems to unauthorized entry, Senator Carl Levin, Democrat of Michigan, gingerly ventured a question about whether the United States was developing offensive capabilities.

In a one-sentence reply, George Tenet, the director of central intelligence, said the nation could rest assured, "We're not asleep at the switch in this regard."

"It's my sense that the policy in this area is at a fairly immature stage of development," said a Senate staff member with oversight responsibility. "But part of the problem in discussing in-

formation operations is that whenever you get into the offensive stuff, you very quickly run into a security brick wall. The Defense Department has next to nothing to say about this in an unclassified form."

For all the heightened interest in cyber warfare, specialists cautioned that yawning gaps exist between what the technology promises and what practitioners can deliver. Large-scale computer attacks require an extraordinary amount of detailed intelligence about a nation's hardware and software systems, as well as about the habits and decision-making processes of foreign political and military authorities. Moreover, cyber operations can become unwieldy.

"Frequently, we like to think of electronic attack as the ultimate in precision weapons," said Vice Admiral Arthur Cebrowski, a leading U.S. Navy authority on the subject. "But these are not necessarily very precise instruments."

Further, much is still unknown about how a major cyber attack would play out.

"We don't understand the cascading effects on decision-making of what providing defective data to an enemy may mean," said a colonel responsible for the air force's information warfare

plans. "That's a hard thing to model."

Other critical questions surround these largely untested weapons, according to experts inside and outside government. Given their broad destructive potential, for instance, should cyber weapons be treated the way nuclear bombs have been and placed under a special military command authority, similar to the Strategic Command that manages targeting plans for the U.S. atomic arsenal?

When should the United States consider it justifiable to take down chunks of the information infrastructure of another country? What are the risks of provoking retaliation against U.S. computer networks?

How should intrusions into foreign systems be conducted in peacetime for the benefit of intelligence gathering, and when does such passive snooping — which often involves the same computer techniques as offensive action — cross some boundary into forms of outright aggression?

"What constitutes an act of war in this area? It's never been made clear," said Brenton Greene, a former Pentagon specialist in information operations who served on the commission last year that studied U.S. vulnerabilities.

## Former Aide Says U.S. Was Wrong on Rwanda

Reuters

PARIS — A former U.S. State Department official has testified before a French parliamentary committee on the massacres in Rwanda in 1994 and was highly critical of the American decision not to intervene.

Herman Cohen, a former assistant secretary of state, testified Tuesday before a committee investigating charges that the French intervention slowed the advance of Tutsi rebels seeking to overthrow a Hutu-dominated government, which Paris had backed, thus permitting organizers of the massacres to flee to what was then Zaire.

Mr. Cohen, who is no longer in government service, said the United States stopped the United Nations from sending 5,000 African soldiers who may have prevented the killings. An estimated half-million Tutsi and moderate Hutu were killed by soldiers of the Hutu-led government and its allied militias. The Tutsi-led rebels eventually took power.

"After the earlier killing of American soldiers in Somalia, I could understand there was no question of sending American troops to Africa, but I could not accept the United States opposing the sending of African troops," Mr. Cohen said. "After all, an African farmer is not going to cut off his neighbor's head if a foreign soldier is nearby looking on."

But Mr. Cohen lavishly praised French efforts to try to halt the massacres. Dispatch of the French troops, code-named Operation Turquoise, "was the only effort made to save Tutsi lives," he said. "I believe Turquoise saved

between 20,000 and 40,000 Tutsi lives," he added.

Mr. Cohen was assistant secretary of state for African affairs from April 1989 to April 1993. He was not in office when the killings began, in April 1994, but he was in office during an earlier French intervention in 1990, which he said helped stabilize the situation and prevent an earlier catastrophe. Since leaving office, Mr. Cohen has frequently issued scathing criticisms of Washington's failure to intervene in Rwanda.

President Bill Clinton apologized for the lack of action while he visited Rwanda this year, saying, "We did not immediately call these crimes by their rightful name: genocide."

Mr. Cohen, who spoke in French during his hour-long testimony, dismissed suspicions by some French officials that the United States, backed by Britain, had sought to oust France from long-held positions of influence in Africa. "The action of an Anglo-Saxon plot is completely ridiculous," he said.

A former French defense minister, Francois Leotard, testified before the same committee in April that the late President Francois Mitterrand had been obsessed by French-American rivalry in the region.

Mr. Cohen said: "We provided zero support for the rebels, zero arms, zero logistics. The only support we gave was in training a dozen Tutsi officers, who were trained because they were then members of the Ugandan Army."



## INTERNATIONAL

## The Case of the Stolen Children Returns to Haunt an Argentine Dictator

By Anthony Faiola  
Washington Post Service

**BUENOS AIRES** — In the end, it is the children who could be the downfall of a former Argentine dictator.

In 1990, Jorge Videla, a retired general, was pardoned for crimes committed during Argentina's "dirty war" — when more than 10,000 suspected dissidents and sympathizers "disappeared" at the hands of military rulers.

Now he has been ordered to stand trial on charges that he stole the babies of pregnant prisoners and gave them to officers and friends of the military for adoption.

A federal judge ruled this week that "crimes against children" were not covered by General Videla's pardon, which granted amnesty to

members of the military junta that ruled Argentina from 1976 to 1983.

The arrest and imprisonment of General Videla, who was de facto president in the military junta from 1976 to 1981, and also a former chief of the army, underscores how far Argentina has come since that era, during which civilians were living in fear of military oppression, and when many were arrested.

After General Videla's arrest June 9, the present military hierarchy here has remained virtually mum. Only a few graying retired officers spoke out in support of him, then backtracked as authorities broadened the investigation into the abduction of children of "dirty war" prisoners.

"I think for us, this represents that we have reached a certain stage in our development,"

said Rosa Roisinblit, vice president of the Grandmothers of the Plaza de Mayo, a group made up of relatives of people imprisoned during military rule.

Her daughter, a dissident, was taken prisoner while eight months pregnant in 1978. She was informed that her daughter gave birth to a baby boy a month later, but, like hundreds of Argentine parents, she never saw her daughter or grandchild again.

"This is the beginning of justice," Mrs. Roisinblit said. "There are many more military leaders out there who were responsible, and it is time they faced judgment by this country."

General Videla's arrest was ordered by a federal judge, Roberto Marquiech, who under the Argentine justice system acts as both investigator and trial judge. This week, he ordered

the general held for trial.

As in other South American democracies that have emerged from long periods of authoritarian rule, the case of the stolen children has accelerated a trend in Argentina to re-examine its decision to pardon former dictators in the interest of peace.

President Carlos Saul Menem, who initially granted the junta members amnesty in 1990 in a gesture intended to "unite the country," now says he will not lift a finger to pardon General Videla, who is now 73. He faces up to 25 years in prison if convicted.

"It's a judicial matter," the president told reporters. "I am confident Argentina's democratic institutions are working well."

So far, General Videla has been charged with five cases of child abduction; he could face more

such charges as the investigation continues.

More information surfaces daily here about "child stealings," and the Grandmothers of the Plaza de Mayo estimate their number at more than 230.

The emerging allegations are shocking. Nurses who were employed by the military government in the 1970s, for instance, have gone public with their testimony, which has been published in magazines and newspapers.

One nurse told the magazine *Tres Puntos* that pregnant female prisoners were brought blindfolded and handcuffed to two secret maternity rooms at the Campo de Mayo army headquarters outside Buenos Aires. There, she said, the women gave birth and were often thrown back into cells or killed without ever having seen their children.

## A Third of Births Are Not Registered

Situation Puts Children in Limbo

By Barbara Crossette  
New York Times Service

**UNITED NATIONS, New York** — Perhaps one-third of all babies do not have their births registered, leaving them in an official limbo that can mean missed educational opportunities and health care, UNICEF said in a new report.

"Without proof of birth, a child cannot be legally vaccinated in at least 20 countries," said the report, to be published Wednesday by UNICEF, the UN children's fund. "More than 30 countries require birth registration before a child can be treated in a health center."

"Most countries demand to see a birth certificate before enrolling a child in school," the report, "The Progress of Nations 1998," calls the birth certificate a crucial piece of paper, "proof of what might be called the 'first right,' the right to an official identity."

The executive director of UNICEF, Carol Bellamy, said in an interview Monday that the organization began to focus on birth registration for a number of reasons. UNICEF officials saw Rwandan refugee children being thrown into adult camps with men who

had carried out genocidal attacks, but UNICEF found it hard to separate them because they had no proof of their ages.

More generally, immunization campaigns often uncovered previously unaccounted children, she said. And work with street children revealed the difficulties inherent in finding them schools if they did not have birth certificates.

"Not having a birth certificate is the functional equivalent of not having been born," she said. The lack of certificates allows children to be more easily exploited as child labor or sex workers, she added.

UNICEF found that registration was lowest in sub-Saharan Africa and some Asian nations, notably India and Burma, where between a third and a half of births were registered, and Cambodia, which had no registration system at all.

Vietnam did not have enough data to make an estimate.

Poverty does not determine the level of registration, the report found, citing high registration rates in most of Latin America, central Asia and North Africa.



LOBBYING — Israeli Orthodox leaders urging Prime Minister Benjamin Netanyahu, right, and Tourism Minister Moshe Katzav to kill an army service bill on Wednesday.

## Egypt's Envoy in Israeli Court Accused of Attempted Rape

**TEL AVIV** — An Israeli court decided in a landmark ruling Wednesday that it can hear a complaint by a belly dancer accusing Egypt's long-serving ambassador of attempted rape despite his diplomatic immunity.

The Israeli dancer filed a \$290,000 lawsuit against Mohammed Bassiouny in December, accusing him of luring her to an Israeli doctor's apartment and assaulting her.

Initially, Mr. Bassiouny, who has served in Israel since 1986, was told he was protected by his diplomatic immunity, but the magistrates at the Tel Aviv court ruled that he could not use his privileges as ambassador to avoid civil action.

The court decision, taken after consultation with Israel's attorney general, Eliakim Rubinstein, is without precedent in the Jewish state.

The dancer's lawyer, Nitzana Darshan-Leitner, argued that the immunity should protect the ambassador in incidents connected to his job but could not extend to other matters.

The Egyptian Embassy in Israel made no comment on the court decision.

In her suit, the dancer accused Mr. Bassiouny and a plastic surgeon, Yehoshafat Shulman, of luring her to the doctor's apartment on several occasions, the last to let Mr. Bassiouny rape her, according to her attorney.

The belly dancer is claiming damages for loss of work, saying she has not performed since the incident was publicized, and has been left traumatized, the dancer's attorney said.

## 3 French Experts Are in Iraq To Test Warheads for Nerve Gas

**PARIS** — Three French experts are in Baghdad to take samples from Iraqi warheads to test for the VX nerve gas after U.S. tests found traces of the deadly agent, the Foreign Ministry announced Wednesday.

The testing will check allegations by the Pentagon that Baghdad equipped its warheads with VX nerve gas before the Gulf War despite its repeated denials.

## BRIEFLY

A French ministry spokesman said it was not a question of getting a second opinion on the American tests but that the French tests had been planned from the outset.

Three experts from a Swiss laboratory who are specialized in atomic and chemical armaments will soon leave for Iraq on a similar mission, the Swiss Defense Ministry has announced.

The UN Security Council extended sanctions on Baghdad last month after Richard Butler, chairman of the UN Special Commission, presented results of analyses in a U.S. laboratory that he said proved Baghdad had equipped missiles with VX before the beginning of the Gulf conflict. (AFP)

## Iran Says It Won't Recognize Russian-Kazakh Oil Accord

**TEHRAN** — Iran will not recognize this week's agreement between Russia and Kazakhstan on the potentially huge oil resources of the landlocked Caspian Sea, the Foreign Ministry said Wednesday.

Iran believes that the five nations bordering the sea "should reach a comprehensive agreement on a just and equitable share-out of the Caspian's resources," a ministry spokesman said.

The agreement signed in Moscow on Monday divided the oil resources of the northern Caspian into Russian and Kazakh sectors, rather than considering the region to be under international jurisdiction, with equal shares for the five nations bordering the sea. The accord was a major setback for Iran.

The world's largest inland sea is thought to have the third largest oil reserves after those of the Gulf and Siberia.

Washington, which has placed Iran under a unilateral economic embargo, has sought to prevent Tehran from getting a grip on the Caspian's oil resources. (AFP)

## For the Record

A candle apparently sparked a fire in one of Latin America's oldest churches, the Temple of the Holy Kings in Metztlán, Mexico. The fire destroyed a 17th-century painting revered by Catholic faithful. (AP)

## Puerto Rico Strike Hits Statehood Drive

By Guy Gagliotta  
Washington Post Service

**SAN JUAN, Puerto Rico** — A 48-hour general strike by union workers is paralyzing Puerto Rico, shutting down most businesses, slowing tourist trade to a crawl and enlisting thousands of islanders to protest a government decision to sell the publicly owned telephone company.

The telephone company dispute has clearly touched a national nerve among Puerto Rico's 3.8 million inhabitants. As a result, it could set back Governor Pedro Rossello's efforts with Congress to promote a change in the island's status from U.S. commonwealth to the 51st state in the Union.

More than 50 unions representing about 300,000 public-sector workers called what they billed as a 48-hour general strike Tuesday and Wednesday in support of telephone workers demanding that Mr. Rossello reconsider his decision to sell Puerto Rico Telephone Co. to GTE Corp. for \$1.75 billion.

Pickers impeded traffic on major thoroughfares and blocked entry to shopping centers and office buildings throughout the island. Thousands of union members and sympathizers held processions and demonstrations. The strike forced cancellation of two cruise ship visits to San Juan, and protesters halted traffic in and out of Luis Muñoz Marín International Airport for hours.

Mr. Rossello declined to address the effectiveness of the strike, saying at a news conference only that "our role is to make sure basic services are not interrupted, and that has been accomplished." But the governor left little doubt that the strikers' principal demands — to get him to halt the telephone company sale or hold a referendum on it — will not be met.

"This is representative government," he told reporters. "You don't do things based on who makes the biggest demands or shouts the loudest."

Early Wednesday, rampaging teenagers smashed shop windows and hurled bottles and cans at the police. The Associated Press reported. The police fired tear gas to halt the riot, which erupted soon after midnight near the suburban headquarters of Puerto Rico Telephone Co. Dozens of

youngsters smashed the windows of a police car, a Burger King restaurant and other shops at San Patricio Plaza, the police said.

The government bought the telephone company in 1974 and has operated it at a profit ever since. Among the ill-fated public ventures on the island, the telephone company has always been a ray of light.

About 6,400 union workers struck the company shortly after Mr. Rossello announced the GTE deal. Opposition to

the sale also grew dramatically outside the company, along with resentment toward Mr. Rossello. He was seen by some opponents to be pushing the sale to impress congressional Republicans with his privatization efforts and thus win support for a Senate bill that could move Puerto Rico on the road to statehood.

Governor Rossello said he did not think the strike would hurt chances of passing the Senate bill and added that he was confident Puerto Ricans

would have a chance to vote by the end of the year in a plebiscite on the island's status: whether the island should become a state or an independent nation, or remain a commonwealth with local autonomy under the U.S. flag.

But he conceded that the strike could cost him support for statehood. Still, he promised to push ahead. "Decisions cannot be taken on the basis of an electoral formula," he said.

## AIRPORT AUTHORITY

## Airport Authority Headquarters Building and Neighbourhood Retail Development

The Airport Authority ("Authority") is the owner and operator of the Hong Kong International Airport. The Authority is now inviting expressions of interest from experienced companies interested in designing and constructing:

## Airport Authority Headquarters Building

With a total gross floor area of approximately 20,000 sq m on a site in the North Commercial District across from the Passenger Terminal Building, the Headquarters Building will consist of office floors, retail and car parking facilities. This office building is the first phase of a larger mixed-use Airport Village development.

## Neighbourhood Retail Development

With a total gross floor area of approximately 5,000 sq m on a site in the South Commercial District, the Neighbourhood Retail Development will consist of a retail centre and a ground level car park with approximately 450 spaces. This development will serve the convenience retail needs of a 20,000 working population in the immediate neighbourhood.

Expressions of Interest from interested parties should be submitted to the Authority marked:

## Expression of Interest

Airport Authority  
8 Chun Yue Road  
Hong Kong International Airport  
Lantau, Hong Kong

Attn: Mr. Allen Young  
General Manager-Property Development

Fax No.: (852) 2511 6330

Upon receipt of expressions of interest, the Authority will issue prequalification documents which must be received by the Authority before 11:00 a.m. (Hong Kong time) on Monday, 10 August 1998.

All costs associated with any submission in response to this notice shall be entirely the responsibility of the organization(s) concerned. The Authority reserves the right to reject any submission at its discretion and without explanation.

A copy of this notice is also available on the internet at <http://www.hkairport.com>.



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THE WORLD'S DAILY NEWSPAPER



## EDITORIALS/OPINION

## Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Next for Nigerians

Moshood Abiola, dead on Tuesday after four years of harsh imprisonment, had become a symbol of Nigeria's struggle for democracy, but he was not your typical dissident. After a childhood of deprivation, he became a multimillionaire, at least in part through close ties to the military dictators who have misruled his homeland throughout most of its independence. But when the moment of reckoning came, Mr. Abiola opted for principle — and on Tuesday both he and his country paid the price. His death at age 60 is another setback for Africa's most populous, and one of its most troubled, nations, just as they both seemed on the verge of a possible transition to better times.

In 1993, Mr. Abiola was the apparent winner of what most observers considered a free and fair election. Almost as important in a nation riven between north and south, he attracted votes in regions across the country. Perhaps precisely because he threatened to defuse the ethnic issue that the army had exploited to maintain its rule, it refused to recognize the election results.

One year later, impatient with the dictators' intransigence, Mr. Abiola declared himself president anyway — and was promptly charged with treason and thrown into jail, where he had remained ever since.

The death last month of Mr. Abiola's jailer, the corrupt despot General Sani Abacha, offered some hope for both the

prisoner and his country. The successor is another general, but one with more of a reputation for probity. General Abdulsalam Abubakar has promised a transition to democracy, and outside observers hold out at least some hope that he is sincere. He has freed some political prisoners and seemed ready to free Mr. Abiola, who would have played a key role in any transition.

The U.S. government said on Tuesday that it has no reason to doubt that Mr. Abiola died of natural causes. His death is, nonetheless, the responsibility of the military dictatorship. As early as September 1994, the Nigeria Medical Association confirmed that the should-be president was in poor health. Yet Mr. Abiola was kept in near-total isolation with inadequate care. Recently he was put under great pressure to renounce his mandate as a price for his release.

The consequences of Mr. Abiola's death are unpredictable. But the proper response from General Abubakar is clear. He should free all remaining political prisoners without condition, unshackle Nigeria's press and political parties, and allow an early and fair election. The United States should make clear that it will assist in any such transition — but that it will no longer prop up Nigeria's generals, including through the purchase of Nigeria's plentiful oil, if they attempt a return to business as usual.

—THE WASHINGTON POST.

## A Vote in East Timor

Of all the outrages committed by the Suharto regime, perhaps none has produced more headlines for less profit than Indonesia's engulfment of East Timor in 1975. Indonesia gained little but a persistent public relations problem that mobilized President Suharto's opponents and cost him trade and military aid. Now, as President B.J. Habibie sorts through the Suharto policies, it should be obvious that both politically and morally, the right course is to allow the Timorese to vote on their future.

In the first few years of Indonesia's occupation of East Timor, some 200,000 people were killed, more than a third of the country. Since then, soldiers have imprisoned dissidents and massacred protesters. Timorese are forcibly sterilized, and Jakarta has flooded the island with immigrants to dilute its culture and separatist politics.

Since he replaced Mr. Suharto in late May, Mr. Habibie has blunted some of the worst repression. Several prominent dissidents have been released, and he told East Timor's Bishop Carlos Belo that he would begin to withdraw Indonesian troops.

Yet Mr. Habibie has refrained from promising fundamental change in East Timor's status. He appointed as a senior adviser a retired general who oversaw a 1991 massacre that killed 270 in East Timor. Troops, including those recently led by Mr. Suharto's son-in-law, have shot protesters and seem to be trying to provoke the East Timorese into violence. Mr. Habibie offered to release the imprisoned leader of East Timor's independence movement and give the region "special status," but only if the world recognized Indonesian sovereignty. The rebel leader José Xanana Gusmão rejected the offer. He still argues, as do the two Nobel peace laureates, Bishop Belo and José Ramos Horta, that East Timor's people must vote on their status. They caution that it would take a few years to create conditions for a free election, including a well-trained East Timorese police force and an end to the climate of fear.

What Mr. Habibie can do now is release the political prisoners, withdraw Indonesian troops, commit Jakarta to respecting a free vote and grant autonomy to East Timor.

—THE NEW YORK TIMES.

## Rough Ulster Road

The onset of the season of political marches in Northern Ireland has generated a lot of violence and confrontation and raised fears that the British province's celebrated new peace agreement may founder. The marches signify a tribal politics that is the precise opposite of what the new agreement sets out to produce.

In Northern Ireland, both Catholics and Protestants march to assert their separate historical identities. But the parades through Catholic neighborhoods by the Protestant Orange Order, undertaken to rub in the defeat of an invading Catholic king in 1690, have an especially inflammatory aspect.

An independent parades commission set up to regulate these activities banned a traditional (190 years), provocative Protestant march route in Portadown. Marchers demonstrated, with stones, against British police. The commission promptly approved another conspicuous march in a Catholic neighborhood in Belfast next Sunday, in order, it conceded, to placate pro-British Protestant loyalists aggrieved by the earlier decision.

The Orangemen badly need to be brought into discussions — Tony Blair is trying — to disprove or at least reduce suspicions that their purpose is to torpedo the peace-oriented Trimble leadership. As "first minister" of the Northern Ireland power-sharing assembly created in the new peace agreement, David Trimble is caught between his Protestant loyalties and his new society-wide governing responsibilities. Such is the stress that in his first week on the job he had to deny that he was planning to resign. But he is

given broad credit for struggling to earn the good faith of the major Catholic as well as the Protestant peace-minded parties, including the heretofore violence-spawning Sinn Féin.

An inquiry goes on into whether the strains of the day are the irreducible hangovers of a discredited past or the harbingers of a return to the old tribalism of Northern Ireland's politics. Some feel that a painful raggedness in its political and community life may be the best Northern Ireland can expect. But you have to be careful about what you expect: prophecies can be self-fulfilling. The dedication of the parties and people of Northern Ireland and the support of their friends cannot be allowed to vanish in the tough early going.

—THE WASHINGTON POST.

## Other Comment

## Why the Algerian Secrecy?

Algeria's anguish has lasted more than six years and claimed almost 100,000 lives. The two main reasons for Western indifference are hostility toward the Islamist rebels and the opacity of the political system. To penetrate the fog, one should focus less on the fundamentalists and more on the key player in Algeria's politics, the army.

Many observers suspect that the Armed Islamic Group is a product of the state's intelligence service, designed to discredit the Islamists. These suspicions have been heightened by the Algerian government's sharp refusal to allow any international inquiry.

—Lahouari Addi, writing in Foreign Affairs.

## Look, the Old Nation-State Is Alive and Kicking

By Jim Hoagland

WASHINGTON — The nation-state is alive and kicking on the soccer fields of France in this World Cup summer.

Born in a millennium ago as the fundamental political unit of the international system, the nation-state has supposedly been laid terminally low in this decade by the march of globalization and national fragmentation. National structures no longer correspond to the economic and political forces that computers and other technology have unleashed, it is solemnly and repeatedly said.

Perhaps. But hundreds of spirited, fleet players and hundreds of thousands of flag-waving fans from 32 countries have spent the past month glorying in an international soccer tournament that seems designed to prove that nations and the games they play as nations, still count in the global era.

CIA operative Miles Copeland entitled his minor Cold War classic on espionage "The Game of Nations." Today that game is not spying, or even baseball. It is soccer.

No other activity or contest short of war shows the enduring strength of nationalism as clearly as the World Cup tournament, which concludes with its epic final on Sunday.

No offense meant to the American pastime, to pro football, basketball or the other sports that we Americans worship and dominate. They, too, are national glories. But in a nation-continuum, Americans take for granted much that the European inventors of the nation-state have had to strive to achieve and constantly defend. Mobility, patience and stealth have been key factors of survival in the crowded European landscape, as they are in soccer.

Americans do not compete seriously against other nations in team sports. We are too strong in those that we have pioneered and too weak in sports that others have developed for either to matter much in our nation-building. Americans do not put their national identity on the line in close matches that are shaped by centuries or decades of mutual animosity, alliance or adversity.

The Olympics did once provide for Americans and Russians some of the feel of national conflict present in World Cup matches as England meets Argentina or Germany is upset by its upstart protégé Croatia. But the national competition within the Olympics was always, happily, overshadowed by

the individual accomplishments of the Olympic athletes.

Many Europeans, Latin Americans and Africans see World Cup soccer in existential terms. They assert on the playing fields the vitality of their cultures, languages and ways of life. Decolonized lands of the Third World gain political confidence with their acceptance into, and victories over, the ranks of the established.

"You should be glad that Iran won," an Iranian-born friend told me after the U.S. team went down to defeat in the World Cup opening round. "Flow can the ayatollahs maintain that the Great Satan is out to ruin them when you will lower tensions?"

Perspective has been one of the great values of this year's uncommonly exciting World Cup. The matches have thrilled the fans. I suspect that they have also redefined the way many think about some other countries.

On its best days, the competition has taken nationalism out of a uniquely political focus and given it another, more appealing face.

Take Paraguay. One name would have in the past quickly come to my mind on mention of that South American country: Alfredo Stroessner, the

dictator who ruled there for decades. No longer. Say "Paraguay" this summer and José Luis Chilavert flashes on my mental screen.

Mr. Chilavert is the talented goalkeeper of the Paraguayan team who valiantly kept a strong French team at bay in a double-overtime game before surrendering a lone, losing goal. Then, in his most manly act of the day, he consoled his grief-stricken teammates like a father comforting children at a family funeral.

The strong Nigerian team reminded me of all the fun and pizzazz of West Africa, which is usually represented by daily headlines about the region's appalling, abusive governments. And it was good to see Yugoslavs on the television screen who seemed not to be cut in the mold of Skobodan Milosevic.

Character is the bedrock of sports as it is of national survival. It surfaces under the most trying and demanding of circumstances.

In the World Cup you are chosen to play on the team of your country of citizenship, not of residence. You reach the height of your career because of national identity and skills. Both have been on display, in the healthiest of ways, in France over the past month.

The Washington Post.

## In Japan, Here Comes a Tough Reality Test for Voters

By Richard Katz

NEW YORK — Imagine voters rewarding a political party that presided over eight years of stagnation, that doubled unemployment, that eroded everyone's retirement nest eggs and that offered no foreseeable recovery.

This is exactly what Japanese voters are expected to do in elections on Sunday to fill half the 252 seats in the House of Councillors, the upper house of the Diet.

If Prime Minister Ryutaro Hashimoto's Liberal Democratic Party prevails, as expected, Japan's leaders will be re-elected in the belief that muddling through remains the best way to retain power.

Mr. Hashimoto's popularity is down to 28 percent, and in a high-turnout election the party

would probably lose seats. But confidence in the divided opposition parties is even lower. So disgruntled citizens are expected to stay home.

The LDP's projected "victory" illustrates why the road to reform will be a long one.

Instead of making real changes, the Japanese system spreads the pain. Companies with low sales don't cut jobs; they trim everyone's pay. Rather than foreclose on insolvent borrowers, banks offer interest, or provide life support to stave off bankruptcies.

This approach has led to economic stagnation but has also kept people from being thrown into the street. The recently an-

nounced "total plan" to fix the banking system is another instance. Despite claims to the contrary, taxpayers' money will be used to keep insolvent institutions and borrowers afloat.

But Japan needs to rid itself of bad bank debts now estimated at \$1 trillion. That is 30 percent of GDP, 10 times the relative size of America's savings and loan crisis in the early 1990s.

The only effective course for Japan now is the one the United States took then: to close insolvent banks and compel solvent ones to sell off their bad assets while protecting depositors. In addition, government money should be used to shore up the capital base of the solvent banks.

But Japan is unlikely to do this, because it would mean foreclosing, bankruptcy and mass unemployment. And the industries most affected, construction and real estate, provide much of the campaign money and voter base for the LDP.

Dozens of other industries are also protected from competition. But dismantling informal cartels as well as removing barriers to imports would eliminate an estimated 10 million jobs, and it would take time before reform created new jobs.

Unfortunately, Japan lacks the social safety net required for such an overhaul. Its unemployment compensation and its deposit insurance systems are underfunded. Moreover, its labor market is incapable of rapidly shifting large numbers

of workers from the disappearing jobs into new ones.

In fact, putting off reform is raising unemployment anyway, from 2 percent in 1990 to record 4.1 percent now, and the rate is projected to keep rising.

A surprise protest vote on Sunday would send an important message of discontent. But with only the upper house at stake, the Liberal Democratic Party would still retain control. Like a recalcitrant heart patient, Japan resists the doctor's orders. Addressing its problems may be a difficult regimen, but the longer Japan waits, the more drastic the surgery will be.

The writer, author of "Japan: The System That Soured," contributed this column to The New York Times.

## In America, Radical Globalizers Talk Like Missionaries

By William Pfaff

PARIS — The debate over American foreign policy divides Washington in a new way. There are both neoconservatives and liberals who defend the policy of using American power to promote democracy worldwide. The "benevolent hegemony" camp allies itself with the Wilsonian idealists, the latter an unmistakable influence on Clinton administration policy.

Against them stand the so-called neo-isolationists, usually thought to be leftists and often accused of disenchantment with America, but also the "realists," who take a traditionally conservative and usually pessimistic view of history and of the constraints on national policy.

The promoters of democracy make two arguments. They say that international stability today depends on U.S. leadership worldwide. They also argue that foreign policy must be a crusade to spread American ideas and values in order for it to be true to the nation's values

and win the support of the American public.

There is something in these arguments, but less than one might think. American policy today, framed as promoting democracy and American principles, and thereby stabilizing the international system, is often in practice a destabilizing factor in world affairs.

That was just demonstrated in the Far East. Bill Clinton last week knocked the foundations from under a Japanese-American security alliance which for nearly a half-century, since the Korean War, had been the most important element in East Asia's political stability.

America's relationships with Japan and Taiwan, Washington's two closest Far Eastern allies for nearly a half-century, now have been subordinated to a new relationship with China, enemy of Taiwan's independence and for more than a cen-

tury modern Japan's rival for Asian predominance. This effective reversal of alliances was rationalized by Mr. Clinton as a way to promote eventual Chinese democracy.

That might be excused as an idiosyncratic decision by this administration. It occurred, however, in the context of Asia's economic crisis, steadily deepening during the past year, whose origins lie in the American-sponsored globalization of the major Asian economies.

That bound them to an international financial system of investment and speculation that no one controls, and put them at the mercy of globalized market forces much more powerful than any government. The result has been a sweeping destruction of Asian economic structures and enterprises, bringing social upheaval with it, and in some places political crisis.

The internationalization and deregulation of Asian markets was promoted by the United States because the prevailing neoliberal economic ideology insisted that this was the way toward universal prosperity, while Washington had convinced itself that it was the way to universal democracy as well.

Yet it was evident from the start that globalization is automatically destabilizing. It progresses through destroying what exists. This is rationalized as "creative destruction," a formula which conceals the destruction but postulates an eventual positive outcome. Possibly there will be such an outcome, but that is a matter of faith. The balance of the account so far is negative.

It is not a pejorative point but a statement of fact that current American economic and foreign policy has been, and in crucial respects continues to be, a destabilizing force in international relations. Yet those who support this policy claim that it is a program to establish international stability and order — and American values.

The United States is a radical and disruptive force to the extent that it uses its power to impose deregulated markets, destroying existing economic institutions and markets in foreign countries, and strives to promote democratic forms of government to replace the political systems those countries now possess. One would think this obvious.

The backers of activist policy in Washington agree that America is a revolutionary power, but they say it is a benevolent and liberating one, achieving the nation's, and indeed the world's,

manifest destiny. They say that in any case it is imperative that the United States use its power to establish an international system which conforms to its interests and principles.

The critics, this writer obviously among them, would suggest that they vastly underestimate the complexity of international society, and exaggerate the relevance of the American model to the rest of the globe and America's actual power to install its model of society elsewhere. Some critics might suggest that "victory" in the Cold War has left a legacy of megalomania in some Washington circles.

This brings us to the condescending argument that if the American people are not enlisted in a crusade abroad they will become isolationists. Isolationism simply is not a feasible policy for any nation today, thanks to international economic integration and rivalry, as well as to the political imbalance of the last six decades.

The American public has always liked to see its wars, hot or cold, as crusades, but so does nearly everyone else. Its reluctance to put troops at risk suggests that its appetite for crusades is low. In peacetime, Americans have proved perfectly capable of distinguishing between crusades and interests.

Just a century ago, speaking of U.S. intervention in the Philippine insurrection, a Mississippi congressman asked "Who made us God's globe-trotting regents?" Most Americans, even today, will appreciate the pertinence of the question.

International Herald Tribune. Los Angeles Times Syndicate.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

## 1898: Hawaii Annexed

WASHINGTON — President McKinley at seven o'clock this evening [July 7] signed the resolution annexing Hawaii to the United States. Mr. Long, Secretary of the Navy, has ordered the cruiser Philadelphia, now at the American flag, to Hawaii to raise the group of islands in the Union. The Philadelphia will sail in a few days' time.

## 1923: Isolation Myth

NEW YORK — Those who declare that the failure of this country to join the League of Nations means American isolation in European affairs received a shock in the form of figures compiled by The New York Herald showing that America has spent eleven billion dollars in Europe since the Armistice towards reconstruction and the relief of suffering. Half of this amount was

provided by the Government through taxation and half by voluntary contributions of millions of Americans. In other words, during the past four years and eight months Europe has received \$100 from every man, woman and child in the United States.

## 1948: Death Penalty

LONDON — The Labour government's new five-year two-degree capital punishment plan was published today [July 6]. It is similar to the American system of dealing with the punishment of murderers. In effect, the proposal exempts the guilty of "crimes of passion" from the death sentence. The government's new proposal represents a compromise worked out after the House of Lords rejected the House of Commons action abolishing capital punishment in Britain for an experimental period of five years.

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S.A.S. au capital de 1.200.000 F. RCS Nanterre B 753021126. Commission Paritaire No. 61337.  
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مركز الأمل



## OPINION/LETTERS

## Let's Not Leave Refugees Unarmed Against AIDS

By Millicent Obaso

GENEVA — It was a nighty chore for the 10-year-old. She left the mud-and-stick shelter where she lives with her Congolese parents in the Lufu refugee camp in western Tanzania, and went to fetch water. As she stood near the tap, an older boy and a companion approached her. She was pulled behind a bush and, helped by the friend, the boy raped her.

Some time later the girl turned up at a Tanzania Red Cross health station complaining of abdominal pains. She said nothing of the rape, but an examination revealed that she had contracted gonorrhea. That was serious enough, but the Red Cross doctor had a greater concern: Had she been exposed to HIV?

It was no idle thought. Sexually transmitted diseases are common in Lufu, as they often are in refugee camps, and where there is one sexually transmitted disease in a community HIV is never far behind. The wounds and sores of gonorrhea or syphilis provide easy conduits for the AIDS virus to enter the blood, and in coercive sex the chance of HIV being passed on is the greater because genital injuries are likely.

The doctor could not follow up, however. While the Red Cross has HIV-AIDS awareness and prevention programs in the refugee camps of western Tanzania, there are no testing facilities. United Nations policy prohibits testing among refugees. The right to know, to be counseled, to be treated, is being denied the refugee when it comes to HIV. The reason is simple: The office of the UN High Commissioner for Refugees and its operational partners do not possess the resources required for counseling and testing. Indeed, there is often very little done to prevent HIV infection and control AIDS in refugee settings.

War causes migrations and the virus that causes AIDS travels with them. War also produces behavior that increases infection. Displaced populations interact socially and sexually with the host community. Refugees interact among themselves. Sexual desire does not cease when you flee your homeland, and often protected sex is not practiced. Many men and women are anxious to replace lost loved ones. Those who wish to procreate have little use for condoms. Nor do rapists. Well over 20,000 women were raped in Bosnia-Herzegovina.

More than 115,000 women were raped in one year in Rwanda. Mass rape has been reported as a weapon of war in Cambodia, Liberia, Peru, Somalia and Uganda.

Safe havens do not spare women. In western Tanzania, where more than 230,000 Congolese and Burundian refugees are sheltered, many suffer the fate of the little girl who went for water. More than 250 rapes were reported among a population of 73,000 in one district alone over seven months. Frequently rape goes unreported. The bottom line is recorded in the Kigoma region, where Lufu camp is situated. Whether pregnant by design, accident or criminal act, more than 19 percent of expectant women have syphilis.

The socioeconomic plight of refugees is particularly conducive to HIV infection. Refugees live in overcrowded conditions, mostly without the social controls of home. Most have lost their spouses, and access to sexual partners is easy. Poverty makes girls and women vulnerable. Some resort to prostitution.

Camp schools are mostly limited to primary levels. Teenagers are left to divert their energies, and rape is a sport to some youths. In Congo and Burundi, a young rapist may be encouraged to marry his victim to save both families from shame. In refugee camps, rape appeals to boys as a way to obtain a wife quickly without paying a bride price.

Unsafe abortions can follow. The unqualified wield instruments that are used on more than one woman. When unsterilized, they can transmit the AIDS virus.

What can be done? Family planning can reduce unsafe abortion. Proper management of abortion must be advocated. Refugees must have access to HIV-AIDS information, education, counseling and medical services. Laws must support this in host countries.

There are strong networks of nongovernmental organizations in refugee camps providing health and community services. Programs to counter this scourge could be easily integrated. Or do we leave little girls to their fate?

The writer coordinates reproductive health programs in eastern Africa for the International Federation of Red Cross and Red Crescent Societies. She contributed this comment to the International Herald Tribune.



## LETTERS TO THE EDITOR

## Malaria Comes Back

While the World Conference on AIDS put the toll of that devastating disease last year at 2.3 million deaths, another less noticed but deadly threat to public health simultaneously marches across the globe. Malaria, one of the world's most common and easily preventable diseases, kills 2.7 million people a year.

With global warming, increasing international travel and drug resistance, malaria is returning with a vengeance. During the 1960s malaria was almost eradicated. Malaria deaths in India dipped to zero. Last year 2.85 million Indians contracted the disease.

Although the World Health Organization is spearheading an assault against malaria, without support from donor countries little progress can be expected.

Malaria treatment programs can consume up to 40 percent of public health expenditures in some very poor countries. But malaria prevention is cheap and easy. Insecticide-treated bed nets can reduce child mortality by 15 to 35 percent.

Educational programs, elimination of stagnant water and development of good anti-malarial drugs are proven strategies. But funding for malaria research is currently a paltry \$60 million a year compared with \$950 million for AIDS.

All countries need to join the World Health Organization in stopping the comeback of this stealthy disease.

KAREN HODGSON,  
Victoria, British Columbia.

## India's Nuclear Step

Regarding "India's Nuclear Cheating" (Opinion, June 16):

If America is the world's only superpower, India is the world's largest democracy and as such has its own security concerns. Washington extends the protection of nuclear deterrence to countries in the Western Hemisphere and Europe, as well as Australia, New Zealand, Japan and South Korea, but not to India. India, therefore, had to conduct the underground tests to develop a credible deterrent of its own. By doing so it has not violated any international treaty or law.

The economic sanctions that Washington has imposed on New Delhi have come at a dangerous moment for the world economy. East Asian economies have sunk, and Japan is facing the worst recession since 1970.

India, with its large market, is not in financial crisis and has recently taken further measures to liberalize its economy. The United States is India's number one trading partner. A slowdown in India's economic growth will not serve America's interests. The U.S. Congress should

consider lifting the sanctions against India without delay.

M. VASUDEVAN,  
Cannes.

## A Rough Send-Off

A 58-year-old constituent of mine recently visited the United States for a family wedding. In filling out the visa form, he forgot to mention a minor drunkenness conviction 41 years earlier.

The United States Immigration Service instructed him to appear at Kennedy airport six hours before his return flight and then incarcerated him in a room, shackling him to a chair until his flight left. He made three requests for his family to be informed of the situation, all of which were ignored.

Since his return, he has had frequent nightmares about the incident. He swears he will never travel again.

The London office of the U.S. Immigration Service has declined to apologize and says that shackling is normal procedure for anyone who breaches visa regulations, even inadvertently. It would be appropriate for the procedure to be reviewed before other elderly passengers are caught in the same way. And I still think the incident calls for an apology.

NICK PALMER,  
London.

The writer is a Labour member of Parliament for Broxtowe.

## What's With the Feminists Who Swoon Over Clinton?

By Maureen Dowd

WASHINGTON — Erik Tarloff's mother cut a deal with his father. "If Frank Sinatra ever came on to her, she was allowed to go with him for one night, with no repercussions in the marriage," he recalls.

Mr. Tarloff, a writer who saw Washington from a rare perspective as the husband of a cabinet-level official, the former Clinton

New Yorker, wrote her bodice-ripping dispatch from the Tony Blair state dinner about Mr. Clinton: "His glamour is undersung... a man in a dinner jacket with more heat than any star in the room (or, for that matter, at the multiplex)... his height, his sleekness, his newly cropped, iron-filing hair and the intensity of his blue eyes.... He is vividly in the present tense and dares you to join him there."

The latest swooner is Nina Burleigh, a former White House reporter for Time, who writes in *Mindhella* about a game of hearts with Mr. Clinton on Air Force One flying to Jasper, Arkansas, that made her tingle. "The president's foot lightly and presumably accidentally brushed mine once under the table. His hand touched my wrist while he was dealing the cards. When I got up and shook his hand at the end of the game, his eyes wandered over my bike-wrecked, naked legs. And slowly it dawned on me as I walked away: He found me attractive...."

There was a time when the hormones of indignant feminism raged in my veins. An open gaze like that, at least from a man of lesser stature, would have annoyed me. But that evening... I felt incandescent. It was riveting to know that the president had appreciated my legs, scared as they were. If he had asked me to continue the game of hearts back in his room at the Jasper Holiday Inn, I would have been happy to go there and see what happened.

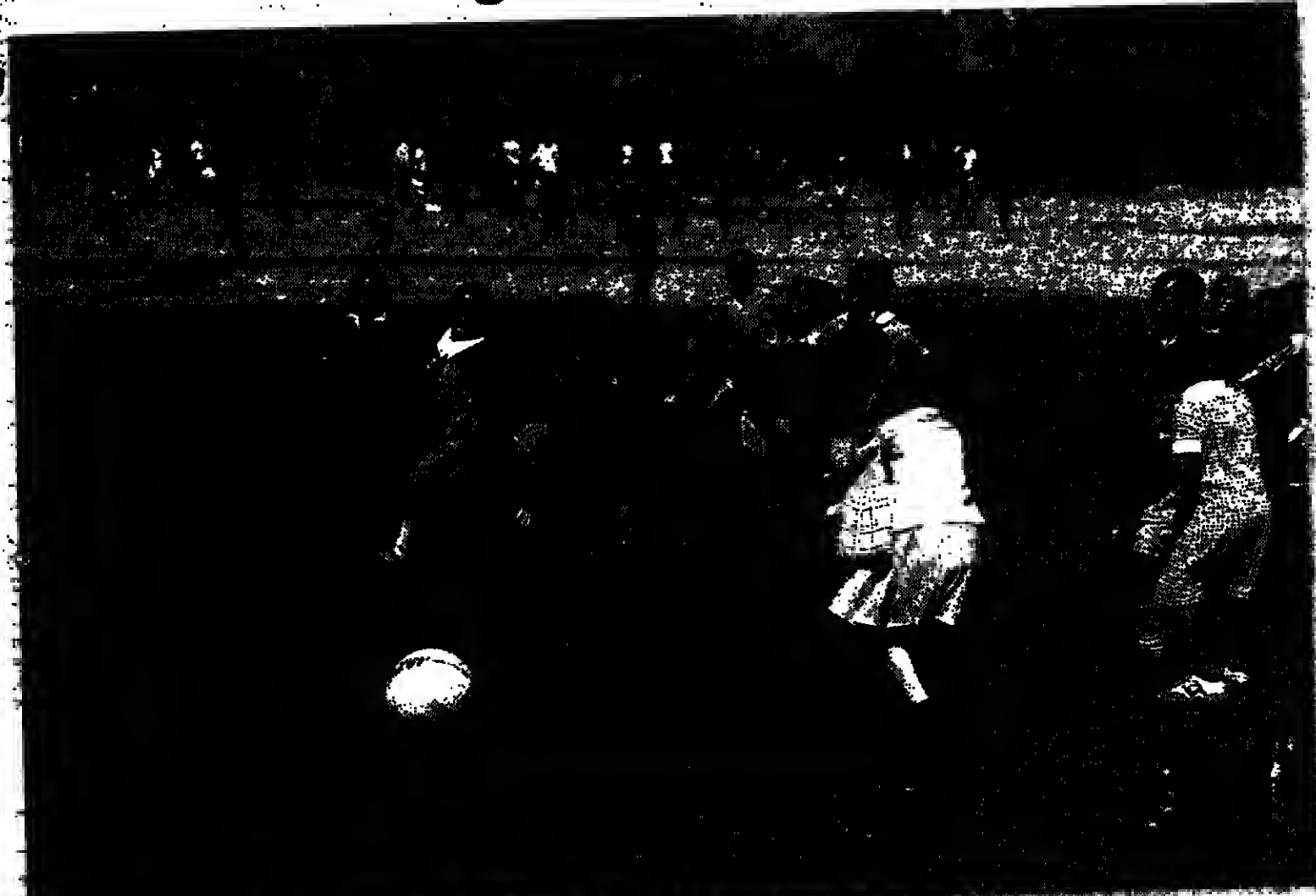
Amazingly, Nina outthinks Tina, casting Bill as Zeus in "Leda and the Swan": "Years honored the magnetic sexual pull a powerful male can have on a weaker female. The beating wings of the giant swan envelop the helplessly infatuated woman, whose 'terrified vague fingers' cannot push the 'feathered glory from her loosening thighs.'"

Ms. Burleigh may have presidential affairs on the brain since she just wrote a book about Mary Meyer, a JFK paramour who was murdered. Defending her piece to *The Washington Post*, she noted that she would have happily had a certain kind of sex with Mr. Clinton "just to thank him for keeping abortion legal."

We should stop blaming the overly flustered sitcom character Ally McBeal for killing feminism. We should even stop blaming Bill Clinton. It is clearly a mass suicide.

The New York Times.

## A child without immunizations is like a game without goalkeepers.



"Immunizing children is not a matter of charity; it is a matter of fulfilling a fundamental human right."  
—From UNICEF's  
The Progress of Nations 1998 report

Imagine a soccer match in which the opposing team is allowed to defend its goal, while your team is not. Unthinkable, wouldn't you say?

Yet in the game of life, that was exactly the situation at the end of the 1970s. When fewer than 10 per cent of the world's children were being immunized. Leaving the remainder defenseless against ailments that not only threaten the quality of life, but life itself.

Today, we seem to be gaining on preventable diseases. According to UNICEF, immunizations against the Six Deadly Diseases of childhood—diphtheria, pertussis (whooping cough), tetanus, measles, polio, and tuberculosis—are now protecting 80 per cent of the world's youngsters.

But the game isn't over. Which is why UNICEF, the World Health Organization, and others have agreed on a Year 2000 goal of 90 per cent immunization levels worldwide.

To combat the Six Deadly Diseases. And particularly to ensure that polio is eradicated as a threat to children, just as smallpox was in the 1970s.

As a company that believes in living and working together for the common good, we at Canon appreciate the dedication of UNICEF and others in raising the levels of disease prevention.

As a company that leads today's world in imaging technology for multimedia, we envision a time when there will be winning smiles on the faces of all children and all people. In a world where immunization enables everyone to advance through life on a level playing field, defended from all threats to well-being.

The children of today. The promise of tomorrow.

Canon

## The Greatest Goal.

George Weah,  
internationally-acclaimed soccer player  
and UNICEF Special Representative  
for Sports.



During the years since I first learned to play soccer by kicking a ball made of rags, I have worked to accomplish many goals.

Some, of course, were on the playing field. But the greatest was a dream that came true last year, when I became an official member of the UNICEF family.

Several years ago, in my homeland of Liberia, I saw for myself how UNICEF-endorsed immunization programs can contribute to children's health and happiness.

For children to flourish, of course, many things are required. Adequate nutrition. Safe water and sanitation facilities. Education. And, yes, even involvement in sports.

But none of these can be effective in the presence of serious diseases. Diseases that can be prevented if all nations and all peoples recognize the importance of child-immunization programs.

George Weah

Help UNICEF help children.

unicef

United Nations Children's Fund

For more information, please contact your nearest UNICEF office or National Committee for UNICEF.

This column is donated by Canon and the International Herald Tribune.



## TribTech

## Needles Never Hurt The Virtual Patient

Simulated Technology Trains Medical Students

By Steven Ginsberg  
Washington Post Service

WASHINGTON — Greg Merrill isn't a real doctor, but he plays one on his computer.

Mr. Merrill and his machine are housed in a spacious, dimly lit room labeled "Very Creative Area," which is two doors down from "Creative Area" at the offices of HT Medical Inc. in Rockville, Maryland.

There Mr. Merrill probes, points and pokes virtual bodies with simulated medical equipment. He is prone to sticking a real needle into a virtual \$8-year-old woman to initiate intravenous feeding, for instance.

Mr. Merrill is not a mad scientist — he is the founder and chief executive of HT Medical, which specializes in computer-assisted medical training. And he hopes that his unconventional gadgets will hold the key to the future of medical training.

"This is going to revolutionize health care," Mr. Merrill predicted. "For the first time you can practice medicine prior to patient contact."

For now it is a rather small business. Revenue for HT Medical was \$2.6 million in the 1998 financial year, which ended May 31, compared with \$2.2 million last year.

For financial 1999, Mr. Merrill projects revenue of \$8 million. He said the company makes a small profit, but he declines to give figures.

He sees things heading up because in April, HT Medical brought its first computer-based simulation product to the market: the CathSim Intravenous Training System.

CathSim, short for catheterization simulator, provides medical workers with the opportunity to practice intravenous therapies (medical-speak for inserting a needle) on a computer, rather than on patients.

Currently, doctors and nurses practice on oranges, plastic models or, in some cases, each other.

CathSim works on any Pentium-equipped desktop computer with a speed of 266 megahertz or higher and uses HT Medical's Telcos program along with its trademarked AccuTouch robotic system. AccuTouch is a small box, about the size of a Tolstoy oval, in paperback. It is equipped with real needles and a rubber-like substance that simulates the feel of human skin.

As part of the effort to humanize technology, some people are choosing monikers for their computers — or, more specifically, for their computers' hard drives, the data storage mechanisms that are represented on screens by tiny, customizable icons.

Buy a PC, and on the desktop you'll see a gray computer box with the words "My Computer," underneath; buy a Mac, and there's a little box labeled "Macintosh HD." Click on either and the name field shades over, waiting like an infant to be named.

There is no official registry of hard drive names, and there are no birth certificates for laptops, so it's hard to know exactly who's naming a machine what. The best indication comes from those at the front lines of computer culture: repair technicians.

At J&R Computer World in Manhattan, where hundreds of customers bring in their

Users operate a mouse to scroll through a series of screens and make selections, such as whether to work on a drug user, middle-aged patient or an elderly woman.

The virtual procedure begins on the next screen. Users are presented with an on-screen tourniquet, iodine and a number of other preparatory options. If they pick the right ones — the computer coaches them — they then choose a needle size on the screen.

This is the point at which the AccuTouch comes into play: practitioners insert the real needle into the box and it mimics resistance and other factors as appropriate. If the needle is inserted improperly, the patient isn't shy about crying out a virtual "Ow!"

CathSim records the procedure and provides users with a report card so they can gauge their effectiveness. The procedural rundown also is

automatically filed on the computer's hard drive so instructors can track trainees' progress.

Mr. Merrill's business began soon after college in 1987 with a focus on technology services. But he later wondered how to expand in the health-care field.

"No one had ever really talked about medical simulation," he said. "I thought new technology could be applied to surgery and then it occurred to me: Why not take flight simulator technology and apply it to surgery?"

In 1992, HT Medical presented a prototype at a meeting of the American Neurological Association. "We had a huge crowd around the simulator," Mr. Merrill recalled. "Physicians were spending hours using it. They told us it was the future of their practice."

Buoyed by the reaction at the conference and the calls received afterward, HT Medical began to pour its resources into simulation technology. "It was very clear we were onto something," Mr. Merrill said.

Two months after it has been on the market, 7,500 of the 10,000 U.S. medical organizations have contacted HT Medical about acquiring CathSim, which retails for \$6,000, Mr. Merrill said. He declined to disclose how many have made a purchase.

"I found it to be very realistic," said James Britt, associate director of medicine at the University of Maryland Medical Center, who helped test the system. "I would recommend it. Everyone that used it felt the sensation was real."



Greg Merrill of HT Medical working with a virtual patient. At left, the computer-assisted equipment used to teach the insertion of needles.

HT Medical plans to release its second simulation product, PreOp, endoscopic simulator, later this summer and its third, PreOp endovascular simulator, by the end of the year.

The key to each product, and what Mr. Merrill hopes will make them appealing to medical outfits, is that each simulator performs a range of applications, such as examination of the lungs or colon.

## Problem: No Chinese Keyboard

Solution: A New System  
That Reads Handwriting

By Bob Tedeschi  
New York Times Service

To Westerners, it sounds like a bad dream: Set up your first computer, plug it in and join the information age. There's just one hitch. All the keys on the keyboard are in another language.

That is precisely the scenario many Asians face when they first sit down at a computer. With up to 13,000 characters and no alphabet in their native languages, Chinese, Korean and Japanese users must make do with the Western keyboard, and scores of different methods to translate each keystroke into a familiar character. Handwriting and voice-recognition systems provide alternatives, but they have proved too slow.

However, a Silicon Valley company, Synaptics, has developed a \$70 Chinese handwriting-recognition system that cuts input time by up to 75 percent, putting it in the range of traditional keyboard translation methods and, the company hopes, enabling Chinese-speaking computer users to get wired.

Tim Bajarin, president of Creative Strategies Inc., a San Francisco Bay Area high-tech consulting firm, said: "Right now, everybody in this industry has China on his radar screen, so it's critical to have some form of good translation technology as part of that."

The system, to be released in mid-August in China, is the latest offering from the company, which was founded by Carver Mead and Frederico Fagin, two microprocessing pioneers. The stakes of their Eastern foray are particularly ambitious: With one-fifth of the world's population and a nascent PC market, China is the promised land for computer entrepreneurs.

With the new system — a combination of Synaptics' QuickStroke software and its TouchPad input device — the user writes three or four strokes, then chooses from a short list of finished characters. With other character-recognition systems, users must usually finish the character — at an average of 10 to 12 strokes, and sometimes as many as 30 — before the symbol is recognized.

But that approach is slow and requires peripheral devices, so most Chinese opt for keyboard-inputting methods, such as Pinyin, the official phonetic romanization of Chinese. Using Pinyin, users can type a Chinese word phonetically, then choose from a list of translated characters.

The Synaptics system has been available in Taiwan since November in notebook computers made by Twinhead, Legend and Great Wall. Synaptics has scheduled an American launch by the end of the year, according to Steve Lin, the product's marketing manager. Mr. Lin said the lack of easy character inputting "has hindered the Chinese in their information technology progress. This can bring the Chinese people closer to computers."

Whether it can encourage more Chinese to buy computers, however, is another question. "I don't think the input method stops people from buying computers," said Peter Yim, president of CIM Engineering Inc., a high-tech consulting company. "Cost is more important."

"What will drive this market," Mr. Bajarin said, "is some killer application that gives people a reason for wanting computers."

Meanwhile, software companies remain wary of China's intellectual property policies, analysts said. And given the country's substandard telecommunications system, it may be a while before the Internet drives mass demand.

"You also have to look at how fast the government wants to enable computer use — whether it thinks access is good — and that's an open question," said Michael Borras, co-director of the Berkeley Roundtable on the International Economy.

Synaptics has other hurdles to overcome in this venture, namely, the competition. Motorola Inc.'s Lexicus Division makes a Chinese handwriting input device, as does Communication Intelligence Corp.

While these companies retain a presence in Chinese-speaking cultures, they are not necessarily looking to build business empires on their Chinese handwriting-recognition products. "We're not interested in being in the market for word-processing professionals," said Sheree Wu, a Lexicus spokeswoman. "This is for people who don't want to sacrifice their natural way of thinking and writing. We're not emphasizing speed."

As for Communication Intelligence, "We see the near-term growth opportunities as based more on Western language-recognition systems," said Andrea Steller, a spokeswoman.

If the Synaptics technology can break the usability barrier for Taiwanese and Chinese users, it will not surprise industry watchers. "If it was anyone else, I'd be a little skeptical," said Paul Saffo, director of the Institute for the Future in Menlo Park, California. "But Fagin is extraordinarily well connected, and he has a track record."

Before starting Synaptics in 1986, Mr. Fagin helped invent the world's first microprocessor, while Mr. Mead was an innovator in standardized chip design.

Besides, as Mr. Borras of the Berkeley Roundtable put it, the Synaptics system doesn't have to take China by storm to succeed. "The numbers are so big that even a small percentage means big sales."

## How Computer Lovers Name Their Data-Holding Babies

By David Kushner  
New York Times Service

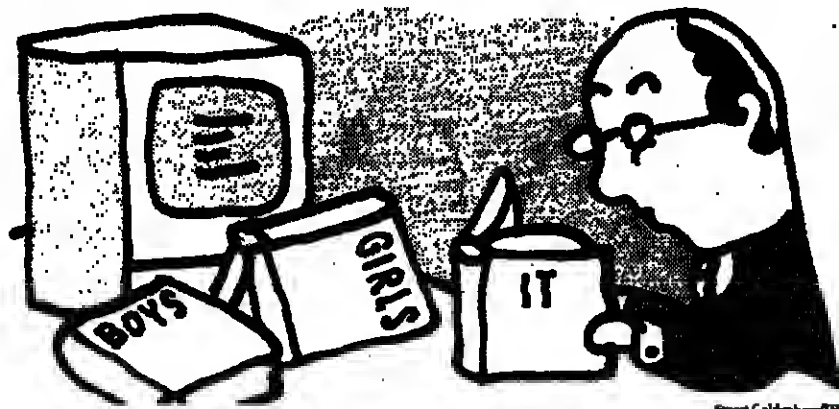
NEW YORK — Every so often there's news about the most popular baby names — Chelsea, Dylan, Diana and the like — which are thought to reflect the cultural moment, the Zeitgeist. The pressure a parent feels in naming a child can be tremendous; after all, once the name is on the birth certificate, it's there forever.

As part of the effort to humanize technology, some people are choosing monikers for their computers — or, more specifically, for their computers' hard drives, the data storage mechanisms that are represented on screens by tiny, customizable icons.

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At J&R Computer World in Manhattan, where hundreds of customers bring in their



machines every month, sports star names are said to be popular.

Tekserve, a Macintosh repair shop in Manhattan, reports that cartoon characters from "The Simpsons" or "Dilbert" are hot.

The creator of Dilbert, Scott Adams, finds the trend flattering, though he hasn't been inspired to personalize his own hard drive.

"I like my computer to be as uncanny as possible," he said. "I don't want it to have a personality."

"Sooner or later," Mr. Adams added, "I'm going to have to drop-lick it out the window, and I don't want to have to feel

like I'm scolding a child."

Douglas Adams, whose "Hitchhiker's Guide to the Galaxy" novels provide fodder for countless screen savers and drive names, also disdains high-tech anthropomorphisms.

"My hard drives tend to be called boring things like 'Mac G3 HD' and 'WORK,'" he said in an e-mail message. "I gave up cute names about a decade ago."

Douglas Coupland, the author of the novels "Generation X" and "Microserfs," enthusiastically named his hard drive Ziggy Stardust after one of David Bowie's alter egos.

## Striking Back at Mobile Phones

Japan's Jamming Device So Popular Authorities Are Restricting Use

The Associated Press

TOKYO — So there you are at the theater when a stranger's mobile phone goes off. What do you do?

In Japan, you jam.

Seeing a potentially lucrative market in the legions of annoyed audiences held defenseless by the shrill ring of mobile phones, Japanese entrepreneurs have rushed to market devices that can jam mobile phone signals.

But the popularity of the jamming devices has Japanese authorities worried and has forced a crackdown to limit use — or abuse — of the jammers.

Last month, the Ministry of Posts and Communications released a tentative policy report restricting jamming devices to such public places as "theaters or concert halls where the degree of public nuisance is significant."

And even these facilities have to apply for a permit. The ministry is concerned that, if jammers become too widely available, they could be used maliciously or wind up blocking legitimate telephone signals.

Nikkodo Co., a company specializing in

karaoke equipment sales, had marketed the jamming devices to coffee shops and hospitals until the new regulations. "It was so popular, but it's an official decision so there's not much we can do," said Makoto Onodera, a Nikkodo spokesman.

Other entrepreneurs are pushing on. "We've seen sales drop off a bit, but the impact hasn't been that pronounced so far," said Hiromitsu Kawachi, an executive at SIC Co.

Mr. Kawachi's small, Tokyo-based firm manufactures a device that retails for 65,000 yen (\$465). The company's device is mainly for personal use, and has a jamming range of only about three meters (9.9 feet).

Japan has one of the biggest markets in the world for mobile phones, with 39 million in use, causing something of a backlash. Many upscale restaurants hold a firm line against calls taken — or dialed — at the table. And Japan's famed bullet trains began airing recorded messages a few years ago asking passengers to refrain from using mobile phones at their seats. Instead, they are asked to use the area between cars.

### TECHNOLOGY INDEX

A glance at technology stock indexes around the world

North America	Tuesday close	% change previous week	% change year to date
Pacific Stock Exchange Technology	351.22	+1.52	+20.88
Standard & Poor's Technology Composite	903.94	+0.62	+29.15
Europe			
Morgan Stanley Eurotec	679.40	+2.20	+76.37
Asia			
Topix Electric	1807.95	+1.00	+9.96

Source: Morgan Stanley, Bloomberg News

For technology articles from the past week, see the Technology Index on the IHT's World Wide Web site at <http://www.ihl.com>. Articles include:

- Ascend Enters Former FCC Chief, July 3
- Revamped GEC Plans to Profit for More Acquisitions, July 3
- Koreans Battle at Software Deal, July 3
- Australian Networks Get Exclusive Use of Digital TV, July 4-5
- Europeans to Meet on Internet Names, July 6
- IBM Pulls Back in Argentina, July 5
- Macro to Sell Its Vobis Computer, July 8

To reach TribTech editors or to comment on IHT technology coverage, send e-mail to [tribtech@ihl.com](mailto:tribtech@ihl.com).

International Herald Tribune

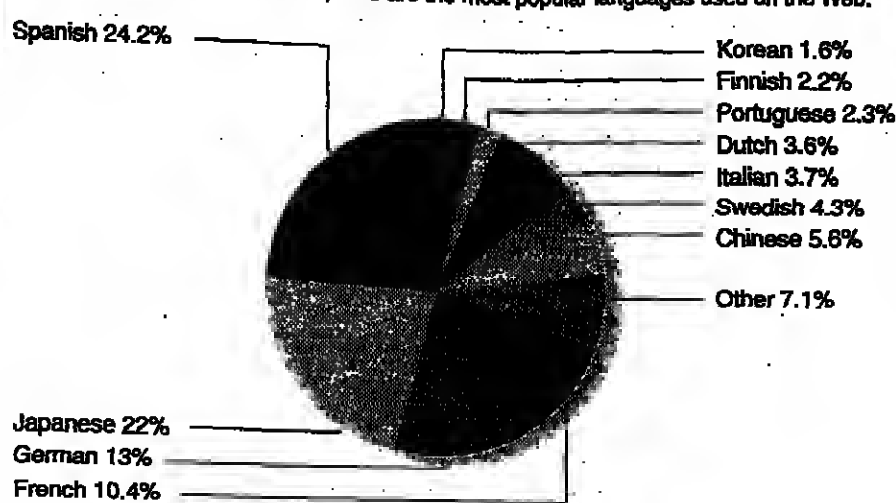


## TribTech

## BRIEFLY

## Catching Up to English

Non-English speakers make up the fastest-growing group of Internet users today. There are now an estimated 55.7 million people worldwide who use a language other than English on the Internet. Among that number, here are the most popular languages used on the Web.



Source: Euro-Marketing Associates

• **MACHINE TELLERS:** Fuji Bank Ltd., Japan's sixth-largest commercial bank, said this week that it was starting a "multimedia" banking system that will let customers open accounts through new automated teller machines, with no direct human contact. The service will be launched with new ATM machines at the bank's Shibuya branch in Tokyo next week, followed by eight other Tokyo branches by the middle of August.

The new ATM machines scan identification cards, letting the bank check the identity of customers without employees on the spot. The machines also let customers pay utility bills, change addresses or apply for credit-card loans — services that now require bank staff to perform identity checks.

"We expect the multimedia banking services to bring in more customers because of the extended hours and simplified application procedures," said Hiroshi Takahashi, a Fuji Bank spokesman. (Bloomberg)

• **PAYABLE BY WEB:** The U.S. government made its first-ever payment over the Internet last week, using an electronic check to make a \$32,000 contract payment to a unit of GTE Corp., banking and technology industry officials said.

The transaction was the result of a three-year collaborative research project designed to make check processing more efficient and pave the way for the use of electronic checks by U.S. businesses.

The electronic check was developed by a not-for-profit research and development organization known as Financial Services Technology Consortium, which is made up of banks, industry partners and financial services companies.

The group will hold a 12-month market trial of electronic checks, which resemble regular checks and are secured with digital signatures, and 50 government contractors are expected to participate.

Full-scale rollout of the checks is expected by 2000, and the group says it hopes electronic checks will be used by U.S. businesses in the future, particularly small and mid-sized businesses, which have a more difficult time than larger companies in moving funds around.

The checks are signed by the payer and endorsed by the payee, like regular checks.

It is not possible to tamper with the amount on the check and because the digital signature is specific to each check, Financial Services said the potential for fraud was expected to be much lower than with regular checks. (Reuters)

• **KEYBOARD CALLS:** Siemens AG of Germany and SAP AG, the world's largest maker of business-management software, said they would collaborate to integrate phones into personal computers.

The agreement announced by the two German companies aims to blend Siemens's Hicom communications servers and SAP's R/3 business management software into a software system that would equip a personal computer with voice telephone capability. (Bloomberg)

• **SALES ARE SUNNY-SIDE UP:** Egghead.com Inc. said sales from its on-line auction site [www.surplusauction.com](http://www.surplusauction.com) totaled \$13.7 million in the first quarter ended June 27, almost double the \$7 million in fourth-quarter sales.

Egghead this year left the conventional retail business, changed its name and began selling merchandise on-line, to tap into the growing consumer traffic on the Internet. It now operates three Internet

commerce sites: [www.egghead.com](http://www.egghead.com), [www.surplusdirect.com](http://www.surplusdirect.com) and [www.surplus.com](http://www.surplus.com). (Reuters)

• **MIXED NEWS ON MAINFRAMES:** Total shipments of mainframe computers in Japan in 1997-98 were down 6 percent from a year earlier, at 2,820 units, partly because of a weak domestic economy, an industry group said Wednesday.

The Japan Electronic Industry Development Association said that in value terms, shipments fell 15 percent from the previous year to \$23.1 billion yen (\$5.89 billion).

Exports of mainframes in the 1997-98 financial year, which ended in March, rose 43 percent to 1,570 units, reflecting a robust U.S. economy, it said. But the value of exports declined by 4 percent to \$5.3 billion yen amid increased shipments of low-priced models. (Reuters)

• **OUT OF THE PICTURE:** Eastman Kodak Co.'s Japanese unit denied a Fuji Tsushin-Sha report this week that it had proposed forming a consortium with Internet digital-imaging distribution servers, including Fuji Photo Film Co.

Kodak said it would start Internet digital-imaging dis-

tribution services in August. Fuji Photo Film has already started its Internet service.

"We did not propose to form a consortium with Fuji Photo Film," a Kodak spokesman said. (AFX)

• **REQUEST FOR APPEAL:** SyQuest Technology Inc. said Wednesday it would appeal a French court's decision to grant a preliminary injunction that would prevent the company from importing and selling its SparQ 1-gigabyte removable hard drive cartridges in France.

On Friday, in summary proceedings, the Paris District Court granted a request submitted by Iomega Corp. to block SparQ cartridge sales by SyQuest and its French subsidiary in France. Iomega claimed that SyQuest's cartridge design infringes an anti-rattle mechanism patent issued to Iomega in Europe. The court rejected Iomega's request to block SparQ cartridge sales in Italy, Germany and Britain.

"We are surprised by the court's decision and are preparing to file an appeal with the French appellate court," said Tom Tokos, SyQuest executive vice president, general counsel and secretary. (Reuters)

## ALT /Book Review

## Internet Burnout: A Survivor's Story

By Christopher Lehmann-Haupt  
New York Times Service

The title of Michael Wolff's canastically comic report on the new-media business — "Burn Rate" — refers to "the money a company spends each month exceeding its revenues," or the rate at which it is headed for disaster.

Subtitled "How I Survived the Gold Rush Years on the Internet," the book tells how Mr. Wolff developed a burn rate so incendiary that, paradoxically, he almost became rich beyond the dreams of avarice.

Almost. A writer by profession, Mr. Wolff started a business in 1990 to develop ideas for books, magazines and television.

Then two things happened. He encountered Louis Rossetto, a haunted expatriate visionary who believed that computers were going to change the whole idea of what print is and who thought that his magazine, eventually to be called Wired, would do for technology what Rolling Stone had done for rock music and Playboy for sex.

At the same time, the Internet came into existence, promising to become as revolutionary a new medium as radio and television were in their time.

Inspired by both these developments, Mr. Wolff came to believe that however this new medium developed, it was going to demand content. So he created guides to the Internet and the Web sites called Your Personal Clock and Netclock. His company grew so fast that expenditures began to outpace profits, creating his so-called burn rate.

But his Internet business was hot in another sense as well. A Wall Street Journal feature on Mr. Wolff attracted Robert Machinist, an investment banker he had known in college, who now told him, "I'm willing to share with you my personal goal, which is to do a public offering north of \$200 million."

In the heat of the wheeling and dealing that followed, Mr. Machinist further said to Mr. Wolff, "I want you to give a building to the college." He added, "We can call it the Wolff Center for New Media."

How his sand castles turned into mud is the subject of Mr. Wolff's satirical nar-

ative, based on notes he took in board meetings and inspired by his determination to write what he calls "a sort of anti-press release" to counteract the natural tendency of a new industry to spin itself optimistically.

As things fell apart, as the "poetry of money in motion" turned into angry recriminations, Mr. Wolff felt himself becoming a potential meal in a business where everything happened so fast that people believed, "If you eat lunch, you are lunch." Gradually, he descended to a depth where, he said, "I saw my circle in hell. I would never be able to stop negotiating."

But more than the story of his struggle for survival, Mr. Wolff's account is about how the Internet beguiled everyone who failed to understand it, how, for instance, he writes, Time Warner Inc. plunged "so precipitously into a business it knew nothing about," that the word "spread quickly up and down the Silicon Valley peninsula that there was a new dumbest in the business."

How CMP Media, a Long Island publisher of computer magazines, all but bought the Brooklyn Bridge from the author. And how America Online Inc., which he calls "the most dysfunctional company in America," succeeded in becoming mighty despite itself, mainly because, he argues, it was a place where people could engage one another sexually in chat rooms.

"This sex stuff is, really, new," he writes, "a paradigm shift. For one thing, you have ordinary people, millions of ordinary people, engaged in a narrative enterprise. Writing dialogue, crafting

descriptions, setting scenes, developing characters. You have real dramatic engagements. It's a new form of story, of the written word, of the way we communicate fantasies, desires, aspirations. I'm serious."

Eventually Mr. Wolff wore out and began to have doubts about the future of the Internet. He defines it in dynamic terms: "It was a speeded up version of culture itself, a series of fads and trends mixing with social and historical and economic forces and technological advances and roiled by constant upheaval and sudden reversals." But he wonders if it is truly a medium of communication in the sense that radio and television are.

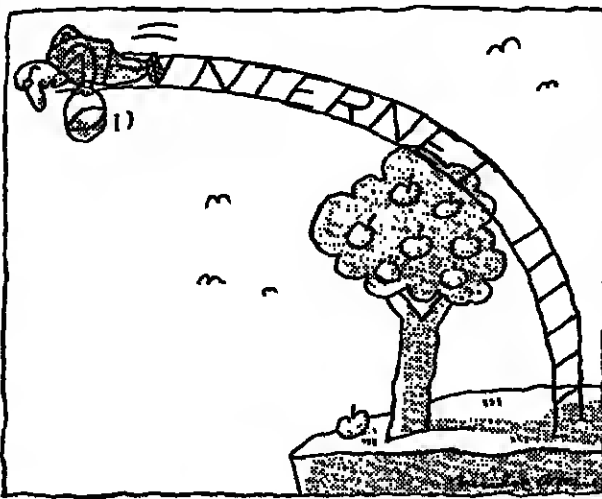
Maybe businesses trying to master the Internet were wasting their time. After all, he writes, "I'm not sure any two people came away from the Net having had anything close to similar experiences; that is, gotten the same message." He adds, "Much like the telephone, the Internet was an instrument through which we were all finding we could exercise a highly individual and idiosyncratic control over the messages we were getting."

You got them when you wanted to get them, not when someone wanted to serve them up to you. "And lastly, and most importantly, you could, if you wanted, make your voice as powerful as any other. You could send your own message. Good for you. God save us."

The time had come for him to get out of what he was beginning to see as a losing game. Still, the field remains wide open. "Nobody knows what's going on. The technology people don't know. The content people don't know. The money people don't know. Whatever we agree on today will be disputed tomorrow. Whoever is leading today, I can say with absolute certainty, will be adrift or transformed some number of months from now." He concludes: "It's a kind of anarchy. A strangely level playing field. The Wild West."

And if his amusing book is a fair reflection, civilization has not yet even begun to arrive.

"Burn Rate: How I Survived the Gold Rush Years on the Internet," by Michael Wolff. 268 pages. Simon & Schuster, \$25.



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**Wednesday's 4 P.M. Close**  
The 2,600 most traded stocks of the day.  
Nationwide prices not reflecting late trades elsewhere.  
*The Associated Press.*

**A-B-C**

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Stock	On Yr	PE	100 High	Low	Lowest Cr
1000	100	100	100	100	100
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1008	100	100	100	100	100
1009	100	100	100	100	100
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1011	100	100	100	100	100
1012	100	100	100	100	100
1013	100	100	100	100	100
1014	100	100	100	100	100
1015	100	100	100	100	100
1016	100	100	100	100	100
1017	100	100	100	100	100
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1019	100	100	100	100	100
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## EUROPE

## ABN-AMRO to Buy Brazilian Private Bank

AMSTERDAM — ABN-AMRO NV said Wednesday it was acquiring Brazil's fourth-largest privately held bank, Banco Real SA, for \$2.1 billion, in what the Dutch bank said was its largest acquisition to date.

Integrating Banco Real's \$15 billion in assets to its worldwide network is part of ABN-AMRO's plan to expand in Latin America and provide banking services across the globe.

Jan Kalf, the chairman of ABN-AMRO, said he expected more than \$100 million in cost synergies from the acquisition. He predicted ABN's Brazilian operations would earn about \$1.2 billion in profit by 2001.

"Banco Real makes a perfect strategic fit with ABN-AMRO Bank's existing operations in Brazil," Mr. Kalf said.

Under the agreement with Banco Real's controlling shareholder, Aloysio de Andrade Faria, ABN-AMRO will run the Brazilian bank al-

though initially it will hold only 40 percent of voting shares.

As soon as the Brazilian central bank grants its approval, ABN-AMRO will increase its voting rights to 70 percent, which is likely to raise the total cost of the acquisition to \$3 billion, ABN-AMRO said.

"We have a commitment from the majority shareholder to buy his shares. They cannot be sold to another party," Mr. Kalf said.

The Central Bank of Brazil and the Brazilian National Monetary Council have said they have no objection in principle to the acquisition, ABN-AMRO said.

The acquisition would be partly financed by issuing \$1 billion in preferred stock and partly by the bank's existing resources.

The purchase makes Brazil, Latin America's biggest financial market, the third of ABN-AMRO's regional hubs, after the U.S. Midwest and the Netherlands.

"The advantages are it fits in their strategy and links up neatly with their existing network," said Dennis Ederzel, an analyst at Delta Lloyd Bank. "But I'm still a bit uncertain about the acquisition price and the situation in Brazil."

The takeover follows the agreement last month by Credit Suisse Group to buy Banco de Investimentos Garantia SA, Brazil's largest investment bank, in a transaction that had a value of at least \$675 million.

ABN-AMRO said the takeover would be "increasingly positive" for earnings per share starting in 1999 and offers potential for "major profit increases."

Banco Real, with its head office in Sao Paulo, offers a number of services, including retail banking. The agreement covers ABN-AMRO's purchase of 10 related businesses, including a residential-mortgage finance company, an asset-management company and insurance companies. (Reuters, Bloomberg)

## WorldCom Says MCI Deal on Track for Summer

Compiled by Our Staff From Dispatches

BRUSSELS — WorldCom Inc. said Wednesday that it was confident that its purchase of MCI Communications Corp. would go ahead this summer following the European Commission's conditional approval.

The commission, the European Union's executive arm, cleared the \$42 billion deal between the two U.S. telecommunications companies last month on the condition that MCI sell off its Internet businesses. The companies also promised that they would not try to win back

former MCI Internet customers.

To comply with the EU ruling, the companies need to choose a buyer for MCI's Internet business and complete the sale within a certain period. The acquisition also remains subject to approval from U.S. regulators, who are looking at the companies' combined 25 percent share of the U.S. long-distance telephone market.

A ruling is not expected until the fall, but the commission said it had cooperated with the U.S. Justice Department on the case.

The European clearance "puts us on schedule to merge this summer,"

said Mark Weeks, head of corporate communications for WorldCom International in London.

The combined company, to be called MCI WorldCom, will have combined 1998 revenue of about \$32 billion and will be the strongest competitor to the No. 1 U.S. long-distance company, AT&T Corp. MCI is the second-biggest U.S. long-distance company, while WorldCom is No. 4, behind Sprint Corp.

One possible buyer for MCI's Internet business is Cable & Wireless PLC of Britain, whose chief executive, Richard Brown, said two

weeks ago that the company was in talks with MCI and was interested in buying all the Internet assets MCI must shed. Other possible bidders include KDC Communications Inc., AT&T and Williams Cos., analysts said.

The sale will have to be completed within a period of time determined by the commission. Commission and company officials have declined to comment on the deadline for the sale, or the period of time during which MCI has agreed not to compete for its former Internet customers. (Reuters, Bloomberg)

## Bonn Plans Frugal Budget

German Cabinet Approves Proposal to Cut Borrowing

Bonn — The German cabinet approved plans Wednesday to hold 1999 federal spending at little more than this year.

Borrowing would be reduced, leaving the next government with little room to maneuver. The budget, proposed by Finance Minister Theo Waigel, calls for raising spending by 0.4 percent, to 465.3 billion Deutsche marks (\$256.4 billion) from 463.4 billion DM this year. Net new borrowing would total \$6.2 billion, down from \$6.4 billion in 1998. The budget plan

foresees 5 billion DM in revenue from asset sales this year, down from 28.7 billion DM last year.

The budget remains subject to approval by the lower house of Parliament, and a change in government after elections on Sept. 27 means that the budget might not pass in its current form. Still, the new government would find it difficult to deviate from the outline, which has been presented to the European Commission as a pledge of Germany's intention to keep spending in line under currency union.

## Elf Awards Angola Deals

Bloomberg News

PARIS — Bouygues Offshore SA and Groupe OTM SA on Wednesday won contracts worth 5.8 billion French francs (\$953.7 million) from Elf Aquitaine SA for work on the Girassol deep-sea oil field off the coast of Angola.

Bouygues Offshore, a company specialized in oil services, and ETPM, a unit of building company Groupe GTM, will split a 4.2 billion franc contract to build the world's biggest floating platform.

A consortium led by Bouygues Offshore that includes ETPM will also receive 2.5 billion francs to lay the pipes connecting the wells to one another and to the platform.

The 2.9 billion franc portion of the contracts going to Bouygues Offshore represents about 75 percent of its 1997 sales. The deal will help Bouygues Offshore acquire the expertise needed to win other contracts in the region, one of the last remaining areas with large untapped oil reserves, analysts said.

Production at Girassol is expected to start in late 2000.

## Air France Delays Plans To Sell Shares Until Autumn

Bloomberg News

PARIS — France said Wednesday it had postponed plans to sell a stake in Air France, Europe's third-largest carrier, until after September to give the airline sufficient time to work out equity agreements with pilots.

Air France needs to agree with the pilots about the size of the stake they will take in the company, the Transport Ministry said. The state plans to sell 20 percent of the carrier to investors and an additional 10 percent to pilots.

"September looks difficult, but October seems quite possible," said Jocelyne Gorge, spokeswoman for the Transport Ministry. "We never gave a precise date for the sale."

An Air France spokesman said the decision was "logical." The management must start negotiating with the pilots by Aug. 31.

After a nine-day strike last month, pilots and management reached an agreement whereby the pilots' wages would be frozen for five years. In exchange they would receive some stock of the company.

The airline told analysts last week at a press briefing that the strike cost it 1.5 billion French francs (\$247 million) in lost revenue, 50 percent more than it first estimated.

The airline posted a profit of 1.9 billion francs in the year to March 31, its first after eight years of losses.

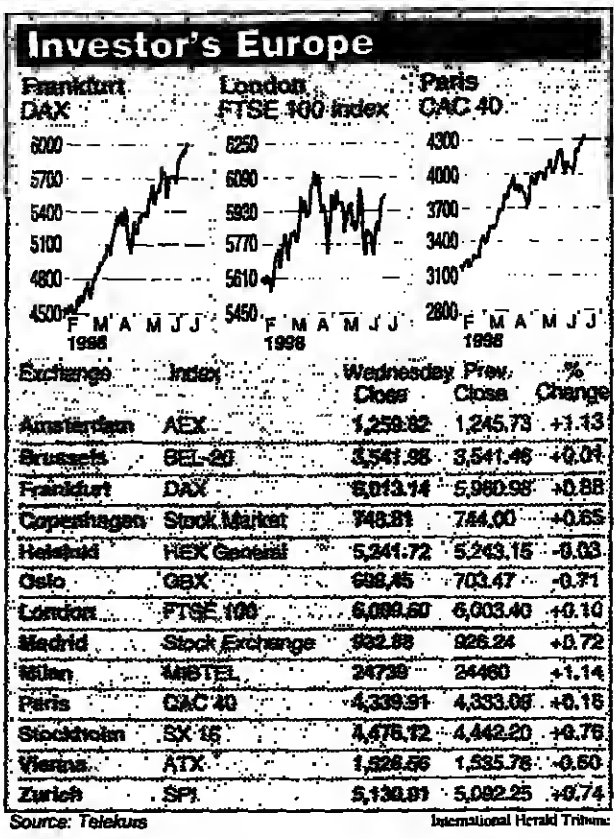
Analysts estimate the sale of a 20 percent stake will bring the government between 3.8 billion francs and 4.0 billion francs.

Morgan Stanley and Credit Agricole Indosuez are advising the state on the sale.

Club Med Returns to Profit

Club Med returned to profit, its largest package-tour operator, returned to profit in its first half as sales rose, Bloomberg News reported.

The French operator of 120 resorts will see worldwide earnings of 132 million French francs for the six months that ended April 30, after a loss of 413 million francs a year earlier.



## Very busy:

Cap Gemini SA's first-half earnings more than doubled to 450 million French francs (\$74 million) from 222 million francs a year ago as demand for its services grew across Europe and companies invested more in computers. Sales at Europe's biggest computer-services company rose 32 percent to 12.4 billion francs.

Virgin Retail Group Ltd. agreed to buy W.H. Smith Group PLC's 75 percent stake in the Virgin Out-Price music stores to give it complete ownership. Virgin Entertainment Group Ltd. said it would reorganize the unit into its two constituent businesses: Virgin Retail and Our Price.

Virgin Express plans to apply for an Irish operating license to avoid labor costs in Belgium. The no-frills airline, which is trying to counter a shortage of pilots, will maintain its headquarters in Brussels, but move the office of registration to Ireland.

STMicroelectronics NV and International Business Machines Corp. agreed to jointly develop multiple-function semiconductors for computer memory devices and low-cost network-access computers.

CVC Capital Partners Ltd., a British-based private equity company, raised \$3.1 billion for its CVC European Equity Partners II Fund, the most ever raised for a fund to finance European management buyouts.

Greece's central bank cut its key 14-day repo interest rate by a more-than-expected 75 basis points to 13 percent, sending the drachma soaring against the Deutsche mark as foreign investors jumped into the Greek bond and stock markets.

SAS plans to recruit 1,000 more pilots and cabin crew over the next two years as the Scandinavian airline takes on 60 new aircraft for both domestic and European routes. SAS currently employs about 23,000 people. Its workforce was cut by about 3,000 between 1991 and 1994 when the airline underwent a cost-cutting program. (Bloomberg, Reuters)

## WORLD STOCK MARKETS

Wednesday, July 8

Daily prices in local currencies.

High Low Close Prev.

Amsterdam AEX Index: 1250.82

Frankfurt DAX Index: 3121.4

London FTSE 100 Index: 4800.00

Paris CAC 40 Index: 4800.00

Stockholm OMX Index: 1250.82

Copenhagen OMX Index: 1250.82

Helsinki HEX Index: 1250.82

Oslo OBX Index: 1250.82

Madrid IBEX Index: 1250.82

Milan ISE Index: 1250.82

Zurich SPI Index: 1250.82

Vienna ATX Index: 1250.82

Warsaw WIG Index: 1250.82

Bombay S&P 100 Index: 1250.82

Calcutta S&P 100 Index: 1250.82

Delhi S&P 100 Index: 1250.82

Kuala Lumpur KLCI Index: 1250.82

Singapore S&P 100 Index: 1250.82

Manila PSE Index: 1250.82

Seoul KOSPI Index: 1250.82

Taipei TSE Index: 1250.82

Hong Kong Hang Seng Index: 1250.82

Shanghai SSE Index: 1250.82

Beijing SSE Index: 1250.82

Guangzhou SSE Index: 1250.82

Shenzhen SSE Index: 1250.82

Chengdu SSE Index: 1250.82

Wuhan SSE Index: 1250.82

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**Wednesday 4 P.M.**  
The 1,000 most traded National Market securities  
in terms of dollar value, updated twice a year.  
*The Associated Press.*

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969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**Wednesday's 4 P.M. Close**

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هذه امن الاصل



## ASIA/PACIFIC

## Korea Banks Cut Rates Under Official Pressure

SEOUL — South Korean banks cut lending rates Wednesday for the first time since the country almost went bankrupt in December, yielding to government pressure to help companies ride out a deepening recession.

Kookmin Bank, one of South Korea's top six commercial banks, said the rate charged to its best customers for new loans, known as the prime rate, will fall 0.5 percentage points to 11 percent from Thursday. Interest charged on all outstanding loans also will be cut by 0.5 percentage points.

Commercial Bank of Korea and Cho Hung Bank, which also are among the top six banks, said they will cut their prime lending rates by 1 percentage point to 10.5 percent.

Analysts said they expected other countries across Asia to gradually ease interest rates, which had been jacked up to shield currencies since foreign exchange instability rocked the region a year ago.

"Over the next three months, we are going to see a cautious, not aggressive easing of interest rates to try to revive corporate and banking liquidity," said Vincent Low, a fixed income strategist at Merrill Lynch & Co. in Singapore.

Thailand already has indicated rates would drop this year, and China said last week that it was cutting interest rates on loans by an average 1.12 percentage points from July 1 to spur economic growth. And in Hong Kong, interest rates have fallen significantly over the past week.

The Korean government urged banks to cut lending rates to stem bankruptcies and make it cheaper for companies to make investments that will help spur an economic recovery. Almost 20,000 companies already went bankrupt this year, more than the record last year of 17,000.

The chief of the Finance Ministry's financial policies, Chung Kiu Yong, said the government also would step up cuts in household lending rates and impose some sanctions on banks that do follow this policy.

To help lower market rates, the Korean government will discuss ways to expand the money supply and revise economic policies and targets during meetings with the International Monetary Fund, a finance ministry official said.

The Fund has said it would support rates coming down over time provided they do not weaken the currency and make it harder for Korea and its companies to repay debts.

## Toyota Issues Bonds Again to Expand Abroad

Bloomberg News

TOKYO — Toyota Motor Corp. said it is selling bonds in Japan for the second time this year to raise a war chest to develop vehicles that pollute less and to expand overseas factories.

Japan's largest automaker is selling 150 billion yen (\$1.08 billion) worth of five-year and 10-year bonds. It is the second-largest issue in Japan this year, after its 200 billion yen issue in February.

This year marks the first time in 27 years that Toyota has issued bonds in Japan.

"Toyota's got a fairly good nose for seeing a good deal," said Jeremy Tonkin, an auto analyst at Towa Securities Co. "They've got the cash but if they can find cheap sources of financing, they might as well take it."

Toyota is expanding factories in the United States, Canada and Europe as it aims for 10 percent of the world's auto market by 2005, up from about 9.6 percent now. At the same time, it is battling other automakers to develop vehicles that pollute less as governments around the world move to enact stricter environmental standards.

The 100 billion yen in new 10-year bonds have a coupon of 2.3 percent, 63 basis points more than the yield on the No. 203 government bonds, due on June 20, 2008. The five-year bonds have a coupon of 1.4 percent.

## Devaluation Is Not Option, China Prime Minister Warns

SHANGHAI — Prime Minister Zhu Rongji of China, in a move to deflect pressure from struggling exporters, has warned that a currency devaluation would not cure the country's economic ills.

Mr. Zhu said during a recent gathering of academics in Beijing that instead of trying to lift exports through devaluation, China should move to strengthen domestic demand, which makes up the bulk of the weakening economy, participants at the meeting said Wednesday.

Mr. Zhu, the top economic strategist in the government, warned that although countries such as South Korea had seen steep falls in their currencies, there had not been rises in exports. He suggested that the same would be in store for China if it chose a similar course.

Mr. Zhu and President Jiang Zemin have pledged not to devalue the yuan despite pressure from exporters to help offset lost competitiveness because of the Asian crisis.

"Zhu is trying to deflect pressure from exporters who are feeling the effects" of the Asian crisis, said Shen Haihua of Shanghai Colub Consult-

Investor's Asia			
Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225	
12000	1750	17000	
11000	1600	16000	
10000	1500	15000	
9000	1400	14000	
8000	1300	13000	
7000	1200	12000	
1998	1998	1998	
Exchange Rates			
Index	Wednesday Close	Prev. Close	% Change
Hong Kong Hang Seng	8,829.18	8,444.18	+4.59
Singapore Straits Times	1,107.18	1,115.18	-0.68
Sydney All Ordinaries	2,774.10	2,769.30	+0.17
Tokyo Nikkei 225	16,530.97	16,414.28	+0.71
Korea Composite	455.28	467.55	-2.62
Bangkok SET	273.43	272.25	+0.42
Seoul Composite Index	318.79	317.50	+0.41
Taipei Stock Market Index	7,936.82	7,845.97	+1.16
Mumbai PSE	1,857.50	1,860.32	-0.15
Jakarta Composite Index	472.88	483.945	-2.27
Wellington NZSE-40	2,888.89	2,887.53	+0.04
Bombay Sensitive Index	3,245.88	3,179.51	+2.13

## Very briefly:

- **Kay Hian Holdings Ltd.**, a Singapore-based stock brokerage, is merging its two classes of shares to reduce restrictions for foreign investors. Foreign shareholders will now be able to own up to 70 percent of the company's shares, up from a previous limit of 49 percent.
- **San Miguel Corp.**'s new chairman, Eduardo Cojuangco, promised to cut debts, sell nonperforming assets and make alliances with other companies to restore growth at the Philippines' largest brewer and food manufacturer. He said the assets to be sold may include international operations.
- **Fidelity Investments Japan**, the Japanese unit of the world's largest fund manager, reached \$1 billion in assets at the end of June from the sales of mutual funds.
- **Kao Corp.**, Japan's largest maker of household and personal-care products, said it would buy Ricoh Co.'s majority share of their unprofitable joint venture in Spain to make recordable compact disks used in computers.
- **GEC-Marconi Systems**, a subsidiary of the power, electronics and defense manufacturer General Electric Co. of Britain expressed an interest in acquiring state-owned Australian Defence Industries Ltd.
- **Hong Kong Telecommunications Ltd.** cut its international integrated services digital network tariffs by as much as 55 percent to high traffic volume countries such as the United States, Britain, Japan and Australia starting July 1.

Bloomberg, APX

## BOURSE: Paris Sees EU Edge

Continued from Page 13

Paris has halved its fees in the last six years and they are still going down. Bigger volume trades are subject to cheaper fees, and — like calling home — trading in Paris costs less at off-peak hours like lunch time. Paris's NSC technology has found takers abroad like Brussels, Toronto, Sao Paulo, Lisbon and Warsaw and its derivatives version will drive a second version of the Globex system in a venture with the Chicago Mercantile Exchange.

Aiming to steal a march on London and Frankfurt which run separate exchanges for different products, the MATIF financial futures and options exchange merged with its MONEP stock derivatives counterpart late last year. Both were brought under the overall supervision of the SBF, giving Paris a single market for all products.

Both MATIF and MONEP now operate full electronic trading. Both have been re-vamping products to prepare for the euro's launch in January 1999. In a country where even high schoolchildren have to master advanced calculus, French officials believe France's talent for innovation will put its government debt at least on a par with German debt in the battle for the benchmark bond status in the euro zone.

According to the deputy Treasury director, Anne Le Lorier, "technical characteristics will be decisive" in luring investors, seeking to diversify their holdings, to

national debt markets once the euro erases currency differences. She noted that France already had an efficient, well developed repo market, while as the first country in the future euro zone to have authorized stripping of Treasury bonds, it now had a strip market eight times the size of Germany's.

MATIF, meanwhile, has launched a euro "all-covering" bond future, covering Treasury debt from France and other euro-zone issuers, and plans to encroach on London's home ground by launching gilt contracts on July 15. France has also promised the launch of indexed bonds in September, the first euro-zone issuer to do so.

But while the French bond market has been traditionally seen as Paris's best hope under the euro, a recent boom on the stock market has brought it out from the shadows of its bigger partner.

After climbing steadily in 1997, stock market activity exploded in the first six months of 1998, with average daily volumes at a record 13.77 billion francs (\$2.3 billion), more than five times the levels of the early 1990s.

It registered 71 initial public offerings in the first half of 1998 compared to 68 for the whole of 1997, including five foreign companies.

Among its star performers has been the Nouveau Marche for fast-growing young companies. Notably, it plans to make all its listed companies publish market-sensitive information in English.

## CROSSWORD

## Matsushita Joins Forces With Microsoft

Bloomberg News

OSAKA, Japan — Matsushita Electric Industrial Co. and Microsoft Corp. said Wednesday they had agreed to work together to develop digital audiovisual products.

Under the agreement, Matsushita Electric, the world's largest maker of consumer electronics, will cooperate with Microsoft to ensure that personal computers will be able to receive and display digital television broadcast signals, the companies said.

The companies also will work together to develop set-top boxes to

decode cable television signals, so that viewers can watch digitally broadcast programs on analog televisions.

The first product to result from the cooperation will be "WebTV" terminals, which the companies hope will go on sale in Japan at the end of 1998. The terminals will let TV viewers read electronic mail and see Internet home pages on their television sets.

Matsushita Electric has agreed to use Microsoft's Windows CE operating system in future audiovisual products. Windows CE is a scaled-

down version of the Windows operating system designed for use with handheld PCs.

On July 1, Microsoft and Hitachi Ltd. agreed to jointly develop consumer products to run on Windows CE.

Last month, Toshiba Corp. and Microsoft agreed to work to ensure the compatibility of DVD products with Windows 98.

DVDs are enhanced compact disks with superior storage capacities that are capable of storing full-length films as well as computer data.

## DVD: Digital Video Formats Fight for Supremacy in U.S. Homes

Continued from Page 13

already an entrenched part of family life, as VCRs are.

"I think we have three years," he said. "Three years from now we need to be in 10 million homes."

That is a tall order, given that the industry has sold only 578,604 DVD players in the last 15 months, according to the Consumer Electronics Manufacturers Association. Initial industry projections were that 800,000 DVD players would be sold in the first year.

DVD originally stood for digital videodisk. But that name was abandoned when the designers realized that the disks could be used for computer files and audio recordings, too, offering seven times the storage capacity of CD-ROMs or music CDs.

Now the format is simply known as DVD. Though DVDs offer high-resolution pictures and digital surround-sound, the format faces its own daunting challenge: Most Americans still know nothing about it.

A study commissioned by the Video Software Dealers Association, which backs the format, found that 62 percent of those surveyed in May had never heard of DVD. The study did find some improvement; in a similar survey a year ago, the number was 81 percent. In the latest survey, Yankelovich Partners interviewed 1,938 people, all of whom were at least 18 and owned a VCR.

"Generally, I think it shows that we are seeing an uptick in consumer awareness," said Jeffrey Eves, president of the association.

But Mr. Eves, Mr. Lieberfarb and many others say they worry that Divx (pronounced DIV-ix) may stand in the way of further progress.

Divx, a technology backed by the Circuit City chain of electronics stores and a Los Angeles law firm, originally stood for digital video express. But like DVD, the acronym has become the name.

Divx disks are DVDs with coding that allows them to be played only on a pay-per-view basis and only in special players. Zenith Corp. is making the first player, which accommodates both Divx disks and regular DVDs and sells for \$499 — a little more than the lowest-priced DVD players.

Each Divx disk costs \$4.49, compared with about \$25 for a DVD.

But if a viewer plays the Divx disk after an initial two-day viewing period, the owner will be charged about \$3. The accounting is done by the Divx central computer, which is connected to the Divx player by a phone line.

When Circuit City announced the Divx concept last fall, it was greeted with howls of vitriol from DVD supporters who complained that the new format would confuse consumers and threaten the success of DVD. Mr. Lieberfarb was among the most vocal critics.

The complaints were so loud that

some in the industry predicted that Divx would never get off the ground — especially because Warner Bros. and a few other studios, including Columbia TriStar, have refused to issue movies in the Divx format, fearing it would undermine the success of DVD.

But on June 7, Divx disks and players went on sale in 45 Circuit City and Good Guys stores in Richmond and San Francisco. Circuit City also began advertising Divx on television and in newspapers in both places.

Warner Home Video countered with a program to encourage video stores in those two cities and in three others to rent DVDs and DVD players. The Yankelovich survey showed that most people wanted to be able to rent DVDs just as they do videotapes. But video dealers have been slow to stock the disks because few people own DVD players.

Both the Divx and Warner sales programs are so new that neither company is ready to release results, though Richard Sharp, chief executive of Circuit City Stores Inc., dismissively said: "We've been in some of their stores, and they are offering only about 40 titles" for rent.

But Mr. Sharp has not done much better. As of Wednesday, only 45 movies were available in the Divx format. Mr. Sharp predicts the total will be 400 by the end of the year. By comparison, 1,400 movies were available on DVD on July 1; 180 of those were issued in June alone.

## SOLUTION TO PUZZLE OF JULY 8

ACROSS

1 Like many a detective's trail

5 Asian taxi

9 Merit badge holder

14 Kind of "sandwich"

15 Light headwear?

16 Earthenware pot

17 Dummy

20 Precise

21 Bachmanoff piece

22 Honor bestowed by Elie

23 Last of a Latin trio

25 Another dummy

32 Unstrict

33 Singing forth

34 Healer

35 Opening bit

36 With 60-Down, Whoopi's role

37 Sea terror

38 The one that got away

41 One

44 Indy 500 sponsor

45 Yet another dummy

48 Idle on the screen

49 Campaign pro

50 Confidence game

53 Keyboard professional

54 And still another dummy

61 Works in the office

62 Reason for celebration

63 Biblical proposition

64 Loud

65 Straggled vehicle

66 They're inflatable

13 Sound

16 Jewish teacher

19 Part of a Beatles refrain

23 Paternal relative

24 "Falstaff" mezzo-soprano

25 Oil of —

26 It began service in 1927

27 Unfilled person

28 Double-edged

29 Offer

30 From Oslo, to natives

31 Miracles — (wonderful to say)

35 Reinforced harder

37 Give rise to

41 Cause of widespread firing?

42 Select for jury duty: Var.

43 Blackmore heroine

46 Constellation south of the Big Dipper

47 In-group

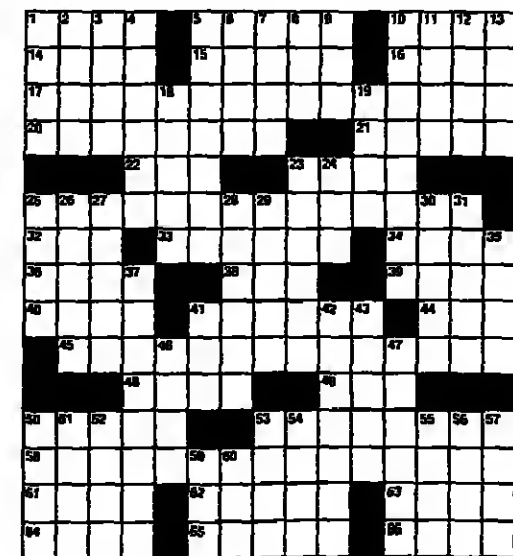
50 Tar

51 Rootless Var.

52 Absorbed by

53 Annoyance

54 Technical sch.



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هذه ايامنا الاولى







# Herald Tribune WORLD CUP

PAGE 20

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THURSDAY, JULY 9, 1998

## WORLD CUP BRIEFS

### Sydney Seeks Cup

Australian soccer authorities made a formal application on Wednesday to play host for the World Cup in 2006 or 2010.

FIFA, the world soccer body, said in Paris it had received the application from Soccer Australia, England, Germany and South Africa have put in bids to stage the World Cup in 2006.

Australian authorities originally said that they would apply for the 2010 tournament, but said last month that European hooliganism could prompt them to apply for the 2006 competition instead.

A FIFA spokesman in Paris said the bidding process for the 2006 cup had not yet begun, so Australia had applied for both. (Reuters)

### Players on the Move

Yugoslavia's World Cup midfielder, Vladimir Jugovic, will be an Atletico Madrid player next week, the club director-general, Miguel Angel Gil, said Wednesday.

Jugovic, 29, moved last year to Italian club Lazio after three years with Juventus. Atletico have been chasing his signature for six weeks, and protracted negotiations went on with the player and his representatives during the World Cup in France where Jugovic played in all four of Yugoslavia's matches.

Details of the transfer have not been confirmed, but Spanish newspapers have suggested that Jugovic has signed a four-year contract and that the transfer fee is in the region of 1,500 million pesetas (\$9.7 million).

The Portuguese champion, Porto, said it had reached an agreement with the English club Aston Villa on Wednesday to bring the international defender Fernando Nelsom back home. Nelsom, 27, who joined Aston Villa from Sporting Lisbon two years ago, signed for five seasons with Porto. (Reuters)

### The Official Wage

They won't get rich, but World Cup referees can bank a franc or two from their assignment in France this summer.

Referees are paid \$25,000 apiece for their World Cup matches, while linesmen get \$20,000 apiece, FIFA said. The game officials also get \$200 daily for expenses and are given free housing.

### Hoping to Cash In

A British bettor will become a half-millionaire if Brazil wins the World Cup, thanks to a bet made almost a year ago.

Back in August, Adrian Fitzpatrick, a 41-year-old father of four from Birmingham, placed a £18,000 (\$30,000) bet with the bookmaker William Hill that Arsenal would win the English league and that Brazil would win the World Cup.

He got odds of 9-2 for that double to happen, and Arsenal duly obliged in May by winning the Premier League. Now Fitzpatrick stands to collect £544,000 (\$908,500) if Brazil wins at the Stade de France on Sunday.

It's happened to him before. Fitzpatrick won £395,000 pounds (\$660,000) when Brazil won the World Cup that year and Manchester United won the English League. (AP)



Patrick Kluivert of the Netherlands heading the equalizing goal, but Brazil triumphed in the penalty shoot-out.

## Raising a Toast to the Goalscorers

International Herald Tribune

PARIS — Goals make games, and goals make the gods of soccer. However much we dress up a contest, however much we may admire other players of creativity, of industry, or even those who strangle the flair of the gifted, this tournament has shown that without goals we are witnesses to sterility.

Raise a glass, then to Ronaldo and to Patrick Kluivert. Down in Marseille on Tuesday night, those were the guys who broke the unyielding sweat of the night. Ronaldo, just 21 and with us all on his back claiming he hasn't yet done justice to his ability during France '98, did it all at the start of the second half.

Rivaldo made the opening with an incisive pass almost from the center circle. But it was Ronaldo who read the invitation, Ronaldo whose pace found the gap in the orange shirts of the Dutch. His sprint embarrassed Phillip Cocu, normally a forward asked to play defense.

Cocu was half a yard too slow. That is more than enough for Ronaldo. The goalie was next. Edwin van der Sar knows how to advance on an opponent, how to spread his impressive frame to

intimidate the forward, block out the light of the goal.

No deal. Ronaldo was too quick, too sure, too accurate and almost with nonchalance delivered his 30th goal in 40 games for Brazil.

It was late, but never too late, when Wim Jonk asked the big Amsterdammer to try his luck one more time. Kluivert boldly leaped to the cross and, bracing his neck muscles, met the ball with his forehead. It was the force of a hammer on an anvil, too hard and too fast for Taffarel in Brazil's goal.

The rest you know. Another important soccer game taken to that wretched apology for deciding a result among equals, the penalty shoot-out. It is a lottery which Taffarel had forecast. Brazil's veteran goalie had said he was ready for penalties, a statement which in itself tells us a decline in the state of Brazilian thinking.

Once Brazil would have pledged itself to outscore any opponent, now it was content to take victory any way it comes — the same way that Brazil won

the 1994 World Cup.

And so to Stade de France. France boasted the first scorer of a World Cup goal, in the first World Cup 68 years ago, and also the most prolific marksman of any World Cup, 40 years ago. Each of those gentlemen, Lucien Laurent and Just Fontaine, is alive and well. Indeed, each was in Stade de France trying, as if by their very presence, to breathe the ball into the Croatian net on Wednesday night.

Like the musketeers of French tennis, Laurent enjoys a remarkable longevity. He is 91, he still enjoys his game, still dresses in the Tricolor uniform of his country. He was a factory worker on an assembly line when, on July 13, 1930, he moved across a snow-covered pitch in Montevideo to score in the 12th minute against Mexico. There were a thousand witnesses: not a billion, to Laurent's historic strike in the Pocitos Stadium.

By 1958, when Fontaine began accumulating his 13 goals in six World Cup matches in Sweden, we were perhaps halfway to the kind of pressures, the publicity and the demanding nationalistic expectation which both burdens and enriches the goal gods of today. "In our day we had more time and space, and more freedom," Fontaine said the other day.

"Forwards today must work for the team, must play deeper to create and support. But these trainers, the coaches, are too cautious. They seldom choose two forwards, sometimes only one. So when you look at the opportunities I had and compare them to the French forwards today, it's unfair on them."

Strange, but true. Yet when Ronaldo scored so swiftly and so strongly in Marseille, when Kluivert rose so majestically, I swear the defenders who Fontaine says outnumber them so oppressively did not think the odds had changed so drastically in their favor. They are paid to snuff out the chances, to bring down the goal gods. And every time they fail, we applaud.

Rob Hughes is chief sports writer of The Times of London.



Ronaldo of Brazil watching the ball roll past the Netherlands' goalkeeper.

## France's Other Match: Sports Daily vs. Coach

No Love Lost Between l'Equipe and Jacquet

By John Vinocur  
International Herald Tribune

PARIS — Way back when, before President Jacques Chirac announced he always wanted to be a goalkeeper, or before the stadium at Saint-Denis filled with suits who three weeks ago did not know Zinedine Zidane from Zeebrugge or ZZ Top, there was soccer in France.

With the country's eternally half-contemptuous, half-ambitious take on success in sports, and its middling results to match, this left a place over the years where the only people to whom the sport mattered much were the fans, the coach, the players and l'Equipe. Now, in spite of this little moment when everybody has cared or faked caring, when France, win or lose, did not despise giving in to the warm irrationality of feeling good about itself, the national team coach still hates l'Equipe, the daily sports newspaper, and l'Equipe hates him.

For mutual contempt, this is seriously sour stuff. Even in a season with this one's feel-good factor — Prime Minister Lionel Jospin earlier in the week pronounced it O.K. for the French to lose to Croatia because he felt everyone had already fulfilled their contract — nothing has happened to soften the feud between Aime Jacquet and the newspaper that portrays him as if he were a jumped-up little gym teacher, learning big words from a correspondence course, and deadening the heart of the French team.

In its narrow band, l'Equipe is a special institution in France, something on the order of the National Meteorological Office, an information source so dominant in the French sports world that, almost unchallenged, it can label dark clouds patchy sunshine or fair weather persistent haze. L'Equipe stands both as observer and participant, commenting on events, but also literally owning the Tour de France cycling race through a company belonging to its group. Its reflexes are more to dispense doctrine than amuse, and the newspaper's critics say this goes with an attitude about all sports that sometimes runs to the proprietary or arrogant.

But l'Equipe is marvelously self-assured. At a time when the words soccer and patriotism were being jammed one on top of the other into many French sentences, and the association of the sport and some of its new enthusiasts had the allure of a shotgun wedding, the newspaper's friends would insist l'Equipe had the self-confidence to identify the flag-wavers and stick to its critical line. It noted Mr. Jospin's sudden interest in soccer by slyly identifying him as a former basketball player, worried about too many suits in too many seats at the Stade de France, and steered clear of comparing pleasure in France's excellent performance with some kind of national communion or catharsis.

The fact is that within the French soccer microcosm, l'Equipe is read with enormous trepidation. In its way, it has the power Women's Wear Daily once held over fashion buyers and designers, or Brooks Atkinson or Walter Kerr wielded as critics, making hits or closing shows, when Broadway theater was at its most robust.

About two years ago, after a sterile performance by the national side in the European nations' cup, l'Equipe began to make clear that it thought Aime Jacquet stank. Jacquet had chosen a daredevil, postal savings account kind of football, cautious and defensive in excess, the opposite of everything that l'Equipe wanted French soccer to be: swashbuckling, beautiful, ready to die (read lose) for le beau jeu. He had no room on his Euro

'96 team for Eric Cantona, the exiled wizard whom England welcomed as messiah, just as he would refuse a place on his World Cup squad to David Ginola, still an exciting player at Tottenham.

But l'Equipe took the argument another turn and went at the man. It made clear it felt Jacquet, a painfully earnest former player from a working-class background, had neither the wit, imagination, or grace to lead France the year it was host to the World Cup. People who know him say this wounded Jacquet deeply.

When silence and his victories could have been his best defense, Jacquet reacted with excess. This week, he attacked "a certain press" as made up of "hoodlums, incompetent, dishonest, and irresponsible" people. L'Equipe flipped back a dart, applauding the exalting play of Brazil and Holland, and the competition itself, which it described as a wonderfully talented exercise — "with one little exception."

In the end, while the French political world and the country's marketers beat the drum of a defining national experience that would propel the popularity ratings of its office-holders and sell cars or candy bars, the newspaper kept saying: slow down here, look at who we really are. After all, other papers reported, two-thirds of the Netherlands' population watched its quarterfinal match against Argentina; in France, with virtually everyone supposedly left off work, 12.1 million out of population of 58 million tuned into France-Italy on state television.

On Wednesday, before France defeated Croatia, l'Equipe turned to science to try to reinforce its point. It found a sociologist to back up its contention that, rather than some kind of vast bonding, France had hardly gone delirious in following its team through matches in Marseille, Lens, and the Paris suburbs. Patrick Mignon, the sociologist presented as an expert on fan behavior, said, "We'll never place all our national interest in a football team like other countries can."

Why? Mr. Mignon offered an answer after the newspaper's heart. France was in a period of uncertainty about its style of play, he said. "And that resulted in the debate about Jacquet. In order for people to be involved, you've got to be able to say this is our style. The problem with this team is that it doesn't really know what it wants."

### Scores and Schedule

#### QUARTERFINALS

JULY 2, 8 PM EST

Brazil 2, Denmark 2

Denmark 2, Brazil 2

France 2, Italy 1

France 2, Italy 1

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## CUP: France Defeats Croatia by 2-1 and Goes Through to the Final for the First Time

Continued from Page 1

In this semifinal in the 70th minute when its Thuram scored his second goal of the evening on a beautifully struck left-footed shot into the lower left corner of the Croatian goal. Thuram had helped create that emotional moment by dribbling down the right wing, passing to a teammate, Thierry Henry, who put the ball back in his direction.

Thuram won a battle for the ball with a Croatian defender, Robert Jarni, and calmly slammed the ball home as if scoring from relatively long range was what he did for a living.

It is not Thuram is one of the world's finest defenders. He was voted the best foreign player in the Italian first division in 1997 — no small feat — but in 37 previous appearances for France, he had never scored a goal.

The Stade de France was not buoyant or supportive enough for some of the French players' liking during their quarterfinal match against Italy. But then a scoreless draw is not necessarily con-

ducive to generating enormous passion. Despite banners pleading the French crowd to "Wake Up," the first half would give them little reason to increase the volume. There would be rare threats and even rarer thrills, but the game would immediately take on a very different character in the opening minute of the second half.

That was all it took for Aljosa Asanovic, a player who never shined when he played club soccer in France, to strike a well-timed left-footed pass in the direction of the striker Davor Suker, who had two steps on an unusually confused French defense. The left fullback, Bixente Lizarazu, gave chase, but Suker is not the sort to squander an excellent chance, and after controlling the pass with his left foot, he drove it past the fast-closing Barthez with his left instep.

Suker had his fifth goal of the World Cup, tying him with Christian Vieri of Italy and Gabriel Batistuta of Argentina for the lead. More important, he had just become the first man to score against

France without taking a penalty kick. Suker, the 30-year-old who was only a well-paid substitute for Real Madrid last season, celebrated with his teammates, but their celebration would prove remarkably brief.

In the very next minute, Thuram stole the ball from the Croatian captain, Zvonimir Boban, from behind in the Croatian half. He passed quickly to Youri Djorkaeff, who touched it back to Thuram with his right foot. Thuram then shot and scored with his right foot.

Suddenly, the French fans in the crowd of 80,000 were no longer being outshouted by the block of Croatian fans clad in their small nation's trademark red and white checks.

France started the game with the same configuration it used against the Italians in the quarterfinals and in the last European championships in 1996: essentially a 4-3-1-2 with three defensive midfielders: Christian Karembeu, Emmanuel Petit and Didier Deschamps. Pure entertainment is not the goal of this effective system, and though the French

would prove industrious in the Croatian half in the early going, the pace of the game would soon slow.

Zidane, the player that France depends on to create, tried to become a goalscorer instead of playmaker in the opening minutes, but he was too hesitant to fire a shot in the second and too ineffective one minute later when Stephane Guivarc'h backheeled a ball to him that left him with a clear shot on goal from 18 yards. The French No. 10 hooked the ball meekly at Croatian goalkeeper Drzen Ladic.

But if the French would prove ineffective once again in front of the Croatian goal, the Croats were losing the struggle in midfield. They did not start to penetrate more consistently until Karembeu, suffering from what appeared to be an injury to his left leg, was replaced by Thierry Henry in the 29th minute. There would be quick passes from Zvonimir Boban to Dario Simic to Aljosa Asanovic that left Asanovic with a chance to fire a shot from close range that sailed well right.



Marcel Desailly of France giving Lilian Thuram a hug for scoring.

X

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## WORLD CUP

## Brazil Revels in Beach-Party Frolics

Why Soccer Encapsulates the Life and Soul of a Whole Nation

By Diana Jean Schemo  
New York Times Service

RIODEJANEIRO — Surrounded on a beach by 10,000 Brazilians as obsessed and captive to soccer as she was, Daniele Fernandes Monteiro, a 23-year-old saleswoman, exulted the painted, flag-draped fans to form a human chain and beam back to the national soccer team playing in Marseille.

"Let's send them strength!" she shouted over the fans staring at the big television screen on the beach.

When the Netherlands scored its only goal 42 minutes into the second half, tying the game at 1-1, Maria de Lourdes Carvalho, a 68-year-old grandmother, threw her hands over her face and wept. "I felt the world collapse at my feet," she said.

Most of the rest of her family had traveled to France to watch to the

Brazilian team attempt to win its fifth World Cup. Her sister, Maria Victoria de Carvalho, clasped her hand. "It's like the end of the world," the older de Carvalho said.

As the game went into sudden death, Monteiro formed a tight circle with her friends, one of them already red-eyed and disconsolate, to pray for victory, which came, exultantly, after Brazil scored on 4 penalty kicks to the Netherlands' 2.

No matter how victory came, Brazil was awash in celebration Tuesday night, with tens of thousands turning out for parties that would last until dawn, triggering an instant, spontaneous Carnival in the middle of the Southern Hemisphere's winter.

"It's not fanaticism; it's patriotism from the heart," said Maria Vasconcelos, a 39-year-old psychologist who showed up dripping from a swim to

watch the game. Roberto da Matta, an anthropology professor at the University of Notre Dame in South Bend, Indiana, sees the country's love affair with soccer as a drama in which the cultural qualities that define Brazil — the inventiveness, energy, optimism, the mixture of the races and other lack of orthodoxy — compete and, increasingly, win.

"It gives the Brazilian people an experience of victory that we know very little about," he said.

"It provides us with this incredible view of the possibilities of the body," he added. "Here we have the body encompassing the soul and bringing the soul back, reborn. Victory is public, it's not a secret, so this experience of victory, this collective orgasm, is amazing."

Indeed, from the smallest towns like Tatuja in northeastern Brazil, where residents gather in the main square to watch the town's only television set, to the bars where fans forget to order beer and chips, to this enormous beach gathering in Niteroi, across the bridge from Rio, all of Brazil has been riveted by the country's quest for another title.

Green and yellow streamers flutter over streets, while the Brazilian flag — whose main feature is a globe that, these days, looks much like a soccer ball — cascades over entire apartment buildings.

All the major Brazilian dailies have sent not only their sports columnists to report on the games, but also their gossip writers and political analysts. Nelson Rodrigues, the late Brazilian journalist, once wrote that all Brazilians feel a stake in the game because it represents "the nation in soccer shoes."

Into the early hours of Wednesday, that nation was dancing.

## Gloom Over the Netherlands

For a month, the Dutch painted the town orange. But overnight, the national mood faded to black, and a hangover has swallowed up the high. The Associated Press reported from Amsterdam.

With the World Cup hopes of its dream team suddenly dashed, the Netherlands awoke Wednesday gruff and groggy, doing what it could to piece together some pride after losing to Brazil in a nail-biting semifinal.

Barkeeps swept up orange confetti and peeled beer-soaked orange cocktail napkins from sidewalks, contemplating how a tiny twist of events might have taken Holland to the final for the first time in 20 years.

Instead, the Dutch are down and out. The Dutch have to settle for the third-place match Saturday.

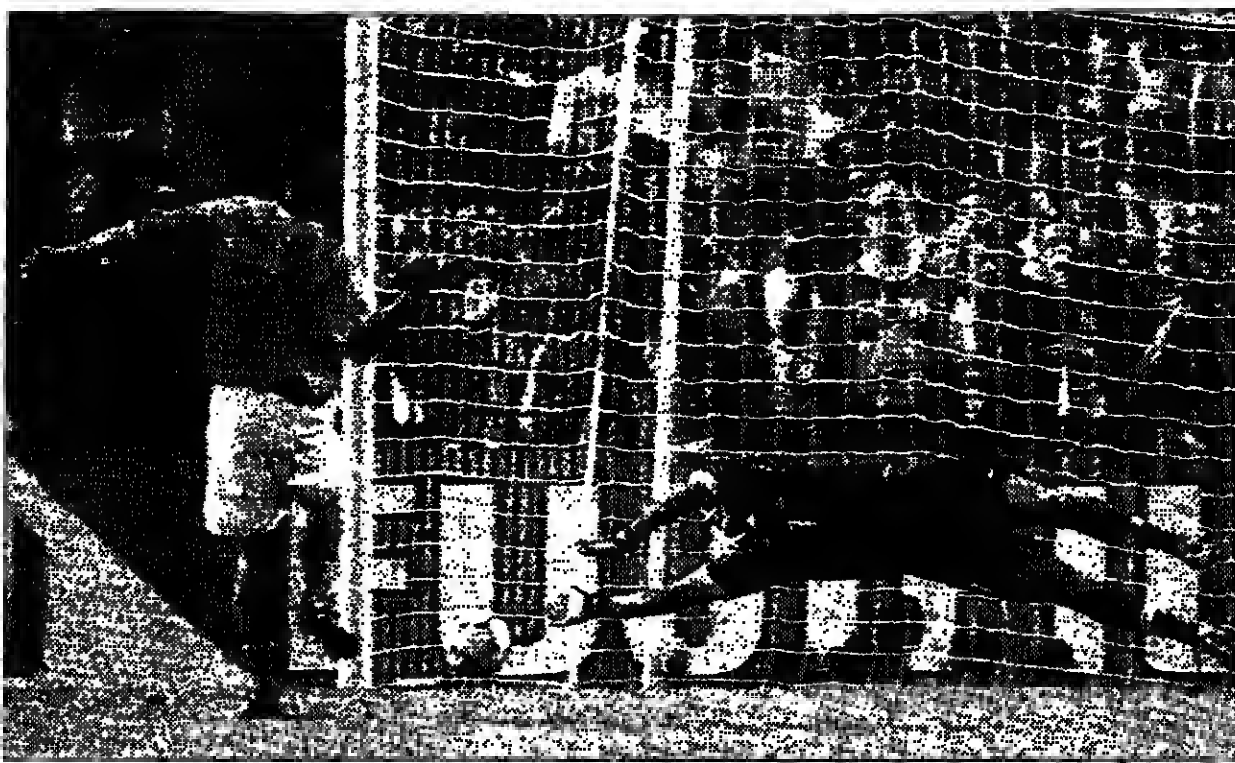
"Silence. A Fog Hangs Over the Living Room," read a front-page headline in the daily De Volkskrant.

"It will take me years to recover," muttered Remco Zannis, an Amsterdamer aimlessly wandering the streets of the Dutch capital after the match.

To call the Dutch soccer-crazy does not even come close to reality. This is a nation obsessed, and the grace and power of the Orangemen as they steadily advanced toward the Holy Grail had captured the country's imagination.

From the beer-bellied port workers of Rotterdam to the ruddy-faced farmers in Friesland, more than 11 million Dutch tuned in to watch the semifinal.

Orange, the national color, was everywhere. In the southern city of Tilburg, one fan even painted the cows in his field orange. That party atmosphere has gone, and the drinking songs have stopped, now that the Cup has slipped from Holland's hands.



Brazil's goalkeeper, Claudio Taffarel, diving to stop Ronald de Boer's penalty kick and give his team victory.

## Shoot-Out: Cruellest 5 Seconds in Soccer

By Mike Penner  
Los Angeles Times Service

MARSEILLE — It is called "the penalty shoot-out," rather clinically, rather dispassionately, because Under Living Hell of Everyone Involved was a tad too unwieldy.

So far, it has ended the World Cup of a veritable Who's Who of international soccer — England, Italy and Holland — and raked a few good men over the coals of worldwide scrutiny, shame, ridicule, or if they're lucky, pity.

The casualty list continues to grow: David Batty, Luigi Di Biagio and now, Ronald de Boer. Three who missed from 12 yards with only a scant few billion paying attention at the time.

It is the cruellest five seconds soccer has to offer: Head down, approach the ball, try to strike accurately while the heart is turning bicycle kicks and then listen for the cheers or the gasps before exhaling and opening your eyes again.

It has ruined careers, if not lives, and who knows what the long-term psychological fallout will mean for the futures of the first three — and let us keep it there, shall we — shoot-out victims of France '98?

One fears the most for Italy's Di Biagio, who could not stop weeping after his climactic penalty kick in the quarterfinal shoot-out against France clanked off the crossbar. His career for the Italian national team is still in its infancy, provided it is allowed to progress from here.

Di Biagio was hardly the reason for Italy's ouster — blame Coach Cesare Maldini's Machiavellian defensive tactics for that — but that was not how it played in the Italian newspapers the day after.

Batty, who misfired for England in the second round against Argentina, has a better chance to get over it and get on with his life.

For one, he had never taken a penalty kick before as a professional but volunteered to step up for the first time in the World Cup. Thus, the prevailing view across the Channel is Batty the Brave, Batty the Lionhearted — if not quite the Batty the Eagle-eyed.

For another, the David Beckham debacle has shifted all blame for England's downfall away from anyone else on the roster.

Finally, England has developed a sense of humor about these things after crushing penalty defeats to Germany in the 1990 World Cup and 1996 European championships. In fact, a pizza company has already given Batty a spot in a commercial, the same pizza company that in 1996 teamed England's three most infamous penalty victims — Gareth Southgate (Euro '96), Stuart Pearce and Chris Waddle (Italy '90) — in a memorable, good-natured TV ad.

As for De Boer, it could go either way. He will be helped, no doubt, by the sober acknowledgment that:

• He was not the only Dutchman to miss Tuesday night against Brazil (Philip Cocu faltered before him).

• He played splendidly before that, delivering a perfect cross that Patrick

farel, the much-maligned Brazil goalie, went two for four against the Dutch penalty team.

Diving to his left, Taffarel blocked Cocu. Diving to his right, he denied De Boer. That is a 500 save percentage — about 400 higher than what is expected from the keeper in these thankless duels under the floodlights.

After De Boer's final try bounded off Taffarel's gloved palms, that was not a look of joy on Taffarel's face. That was sheer relief, nothing but — not as much for having outlasted Van der Sar as for not having to face another penalty kick.

At least until Sunday's championship final.

Because if the shooters dread shoot-outs, the keepers dread them. For them, it is a guessing game, nothing more. And even if you guess right, then you have to hurl yourself at one metal post or the other in blind hope of getting a wrist, an elbow or a knuckle on a leather missile launched from a mere 36 feet away.

That is why they call it "the penalty shoot-out."

Because it penalizes the shooters, the keepers, the coaches, the fans in the stands and halfway around the globe.

Each of them, without exception, deserves a better way.



A happy Taffarel after saving two of the four penalty shots he faced.

## Sports Marketing Firm Steps In To Sort Out Cup Ticket Scandal

The Associated Press

PARIS — The marketing consultant for FIFA, world soccer's governing body, said Wednesday that it would take control of a French subsidiary involved in a World Cup ticket scandal.

ISL Worldwide of Switzerland will buy out the remaining 51 percent of ISL Marketing France, and assume day-to-day management of the Paris-based company, according to Glen Kirtan, senior vice president of the international firm.

Kirtan said the action was a direct response to the scandal, in which three people, including the president of ISL France, were arrested in connection with alleged ticket fraud. The World Cup organizing committee has also filed a formal complaint with prosecutors against the French branch of ISL.

ISL Worldwide, which has handled international marketing for FIFA since 1982, contends it was victimized by a consultant who fraudulently sold thousands of tickets to which he had no access.

Taking direct control of ISL France was the fastest way to limit damage to the international firm's reputation and

make sure that both companies shared more than just a name, Kirtan said. "We allowed ISL France to use the ISL title totally because of the World Cup," Kirtan said. "We have looked closely at the workings of the company and there is no doubt in our minds that the business is legitimate."

"We now move to take full responsibility of the management of the company by acquiring the remaining 51 percent. We will assume the legitimate business concerns to make sure the goals of ISL Worldwide are reflected in the management of the company."

ISL is one of the pioneers of international sports marketing with a reputation for high-quality programs. It just signed a new contract to continue as FIFA's marketing pipeline through the 2006 World Cup.

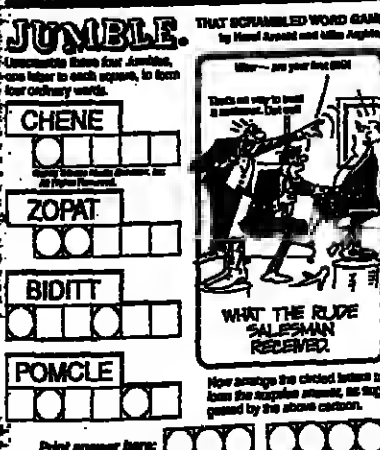
The case involving ISL France was one of several ticket scandals to hit the tournament.

ISL Worldwide has never been linked to any of the ticket problems and has repeatedly stressed that it was not involved in ticket distribution except for the 180,000 tickets that went to FIFA's 12 worldwide sponsors as part of their contracts.

## DENNIS THE MENACE



"WE'RE TRYING NOT TO CRASH ANYTHING SO WE CAN HAVE BURGERS AND PIES FOR DINNER, RIGHT, GRANDPA?"



Print answer here:

Answers: YOUNG DUNNY WISDOM ACTUAL Answer: How often did you tell the family that when — CLIPPED

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"Meeting at its Best" in a Discreet & Luxurious Atmosphere  
SP-305 (1 night)  
Telephone: +41 26 760 90 00 • Telex: +41 26 760 90 00  
Email: Grandhotel@ch.ch • Website: www.grandhotel.ch

## PEANUTS



"THE GAME'S BEEN CALLED! CHARLIE BROWN... BUT IT'S CLEARING UP! I CAN SEE BLUE SKY!"

"THAT ISN'T BLUE SKY, THOSE ARE LIGHTS FROM THE MALL."

"IT LOOKS LIKE BLUE SKY TO ME. I KNOW IT'S BLUE SKY. IT'S CLEARING UP. I CAN SEE BLUE SKY."

"ANYONE GOING TO THE MALL?"

"WELL, HERE WE ARE! HOME ANY FROM HOME!"

"OK, CALVIN, YOU GET OUT WITH YOUR MON, AND I'LL HAND OUR GEAR TO YOU."

"NOW DON'T DROP THIS. IT'S VERY..."

"OOPS..."

"DON'T WORRY, DAD. IT'S ONLY ABOUT 15 FEET DEEP. I CAN SEE THE CAMERA AND EVERYTHING."

"AND YOU'VE COME HERE TO BEAT..."

"I AM GOING TO FEED YOU TO THE SEA GULLS, KID."

"I'VE GONE HIGH-TECH."

"THIS MAN WAS BREAKING INTO THE AT&T MACHINE."

"AREN'T YOU THE GUY WHO BROKE INTO THE GUMBALL MACHINE?"

"I'VE GONE HIGH-TECH."

"I REALIZE THAT THE TOURING PRODUCTIONS OF BROADWAY MUSICALS AREN'T AS ELABORATE AS THE ORIGINAL, BUT I STILL HAD HIGHER EXPECTATIONS FOR 'CATS'..."

"YOU KNOW WHAT YOU DID? YOU DIDN'T EVEN NOTICE THE GUMBALL MACHINE ON THE PLANET BEAT TRYING TO MILLION FOR MY HOUSE!"

"I THOUGHT HE SHOULD KNOW THE HUMAN COST, SUR..."

"BUT DIDN'T YOU PAY LIKE \$500 FOR IT?"

"IN 1965 DOLLARS, SUR!"

## CALVIN AND HOBBS



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